

3 the same is hereby amended by striking from line two (2) of said
4 section the word "five" and inserting in lieu thereof the word "three".

1 SEC. 3. **Publication clause.** This act being deemed of immediate
2 importance shall be in full force and effect from and after its publi-
3 cation in the Des Moines Daily News and Des Moines Capital, news-
4 papers published in the city of Des Moines, Iowa.

Approved April 22, A. D. 1919.

I hereby certify that the foregoing act was published in the Des Moines Capital
April 26, 1919 and in the Des Moines Daily News May 11, 1919.

W. S. ALLEN, *Secretary of State.*

CHAPTER 302.

REINCORPORATION OF FRATERNAL BENEFICIARY SOCIETIES.

S. F. 497.

AN ACT relating to fraternal beneficiary societies, and providing a method whereby
such fraternal beneficiary societies may be reincorporated as a legal reserve level
premium life insurance company.

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. **Fraternal beneficiary societies — reincorporation —**
1 **procedure.** Any existing fraternal beneficiary society may amend
2 its articles of incorporation and by-laws in such a manner as to trans-
3 form itself into a legal reserve level premium company doing busi-
4 ness either as a mutual or stock company, but only after complying
5 with the following provisions:
6 Whenever any such society shall propose to transform itself into a
7 legal reserve level premium company as herein provided, it shall file
8 with the commissioner of insurance, its proposed articles and by-laws,
9 its plan of transformation, setting forth in detail the terms and con-
10 ditions of such transformation and also the method by which it pro-
11 poses to protect the interests of its membership. The commissioner
12 may proceed to hear and determine such petition without notice, or, if
13 he deems it necessary that such notice should be given in order to
14 conserve the interests of the membership, he shall require the society
15 to first notify, by mail, all of the members of such society of the
16 pendency of such petition, the contents of such notice to be determined
17 by the commissioner. When notice shall have been given, as above
18 provided, any member of said society shall have the right to appear
19 before said commissioner and be heard with reference to said petition.
20 The commissioner may also make such examination into the affairs
21 and conditions of the society as he deems proper, and shall have power
22 to summon and compel the attendance and testimony of witnesses,
23 and the production of books and papers, and may administer oaths.
24 If satisfied that the interests of the membership of said society are
25 properly protected and that no reasonable objection to said petition
26 exists, the commissioner may authorize in writing, such transforma-
27 tion, or may first require such modification thereof as may seem to

28 him necessary for the best interests of such membership; and the
 29 said commissioner shall make such order and disposition of the assets
 30 of any such society as in his judgment may be just and equitable.

SEC. 2. Plan of transformation — requirements by commissioner.

1 The commissioner shall require the plan of transformation to be sub-
 2 mitted to the supreme governing body of such society, to be voted
 3 upon. When submitted, it shall be either at a regular meeting of
 4 said supreme governing body or at a special meeting of same called
 5 for that purpose. A notice of said special meeting, in the form
 6 approved by the insurance commissioner, shall be given in accordance
 7 with the requirement of the by-laws of such society. When so sub-
 8 mitted, a majority vote of the said supreme governing body present
 9 and voting, as authorized by its articles of incorporation and by-laws,
 10 shall be necessary to an approval of such plan of transformation; and
 11 no proxies shall in any case be voted.

12 If the supreme governing body approves the plan of transformation,
 13 the board of directors or other managing body of such society shall
 14 submit the plan to a referendum vote of the members of such society
 15 under such regulations as may be prescribed by the commissioner of
 16 insurance and if the result of such vote shall show that the majority
 17 of the members of such society has voted to repeal the action of the
 18 supreme governing body, then the same shall be considered as repealed
 19 by such society and shall be null and of no effect. Any such plan of
 20 transformation submitted to the supreme governing body as herein
 21 contemplated, must first have been approved by the commissioner of
 22 insurance; and the result of said vote must be filed with such com-
 23 missioner and be by him determined before any transformation shall
 24 be so effective. No such transformation shall take place until after
 25 its plan has been approved by the commissioner, either with or with-
 26 out a hearing as herein provided, nor until such approved plan has
 27 been adopted by a majority vote of the board of directors or board of
 28 trustees of such society; nor, if submitted to the supreme governing
 29 body, until such approved plan has also been adopted by a majority
 30 vote of the said supreme governing body present and voting.

1 **SEC. 3. Obligations and benefits.** Any such society so trans-
 2 formed, shall incur the obligations and enjoy the benefits thereof the
 3 same as though originally thus incorporated, and such corporation,
 4 under its charter as thus amended, shall be continuation of such orig-
 5 inal corporation, and the officers thereof shall serve through their
 6 respective terms as provided in the original charter, but their succes-
 7 sors shall be elected and serve as in such amended articles provided;
 8 but such amendment or re-incorporation shall not affect existing suits,
 9 claim or contracts. Any such fraternal beneficiary society taking
 10 advantage of this section, to reorganize into a stock company shall
 11 offer to each member of said society the privilege of subscribing for
 12 and purchasing his or her proportionate amount of capital stock.

1 **SEC. 4. Existing certificates of membership — value — reserve as**
 2 **liability.** The existing certificates of membership of any fraternal
 3 beneficiary society which shall have transformed itself into a legal
 4 reserve level premium life insurance company, in conformity with the
 provisions of this section shall be valued as follows:

5 (a) Certificates on which rates of contribution are not on the
6 basis of any table of mortality, valued as yearly renewable term poli-
7 cies according to the standard of valuation of life insurance policies
8 prescribed by the laws of this state.

9 (b) Certificates on which the rates of contribution are based upon
10 a standard table of mortality and specified rate of interest, valued in
11 accordance with such standard.

12 The reserve so ascertained shall be held as a liability by the com-
13 pany in its annual statement rendered to the insurance department.

1 **SEC. 5. Publication clause.** This act being deemed of immediate
2 importance shall take effect and be in full force from and after its
3 passage and publication, according to law, in the Des Moines Capital,
4 a newspaper published in the city of Des Moines, Iowa, and the Cedar
5 Rapids Gazette, a newspaper published in the city of Cedar Rapids,
6 Iowa.

Approved April 22, A. D. 1919.

I hereby certify that the foregoing act was published in the Cedar Rapids Gazette
April 29, 1919 and in the Des Moines Capital April 30, 1919.

W. S. ALLEN, *Secretary of State.*

CHAPTER 303.

COUNTY SUPERINTENDENT OF SCHOOLS.

S. F. 77.

AN ACT to amend section 2734-b of the supplemental supplement to the code, 1915,
relating to the expenses of the county superintendent of schools for visiting
schools.

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. County superintendent — visiting schools — expenses.
1 That section 2734-b of the supplemental supplement to the code, 1915,
2 be and the same is hereby amended by striking out all of said section
3 after the word "of" in line twenty-eight (28) of said section and
4 inserting in lieu thereof the words "four hundred dollars".

1 **SEC. 2. Publication clause.** This act being deemed of immediate
2 importance, shall take effect and be in force after its publication in
3 the Des Moines Register and the Des Moines Capital, newspapers pub-
4 lished in Des Moines, Iowa.

Approved April 22, A. D. 1919.

I hereby certify that the foregoing act was published in the Des Moines Register
April 25, 1919 and in the Des Moines Capital April 26, 1919.

W. S. ALLEN, *Secretary of State.*