

# A BILL

FOR AN ACT TO AMEND CHAPTER NINE (9), TITLE NINE (9) OF THE CODE OF IOWA, RELATING TO FRATERNAL BENEFICIARY SOCIETIES, ORDERS OR ASSOCIATIONS, ESPECIALLY SECTIONS 1822, 1823, 1827, 1828, 1830 AND 1839 THEREOF.

*Be it Enacted by the General Assembly of the State of Iowa:*

SECTION 1. That after the words, "seventy years" in the tenth line of section 1822 there  
2 be added the following: "Provided, that there may be withdrawals from such societies, orders,  
3 or associations at the end of any period or term with benefit duly apportioned, or re-entry with  
4 re-organization of any group or sub-group of entrants hereinafter designated, for any addi-  
5 tional period or term, it being stated in every benefit certificate hereinafter issued to applicants  
6 or entrants in Iowa that 'this certificate does not amount to a whole life policy, that its insur-  
7 ance feature ends when entrant attains the age of seventy years, that its self-benefit feature,  
8 though allowed at the end of any period does not end when entrant reaches seventy years, and  
9 that the life insurance feature, though a rating is given by the period or term, is not a renew-  
10 able term right merely, but carries with right to, or option for, either self-benefit or death  
11 benefit renewed at the end of any period at the option of the holder, subject to re-rating,' and  
12 provided, that all ratings and periods based on the actuaries' tables of the American life insur-  
13 ance compaies giving the deaths in each year shall be deemed as standard as any table giving  
14 only deaths per thousand of members at attained age, and all ratings or periods based on the  
15 computed time when half of one thousands entrants of any age shall have died shall be deemed  
16 as legal as if figured on the assumption herein that age seventy only should be reached before  
17 self-benefit can be had, it being the purpose of this chapter to have accounts kept on the basis  
18 of actual natural average, vital history of each thousand entrants of any age.

SEC. 2. That after the words "form of government" in the fifth line of section 1822 there  
2 shall be added the following words:

3 "Provided, that no such association shall be deemed to have a representative form of govern-  
4 ment unless the credentials of delegates shall originate in and be made by subordinate bodies,  
5 and unless a record of attendance at meteings of subordinate bodies is left by such association  
6 and a copy filed with the State Auditor as a part of its annual report, and unless members of  
7 subordnnate bodies shall be admitted as delegates on their showing that no regular meeting of

8 the body they assume to represent took place at the time and place duly provided by such  
9 subordinate body and approved by such association.

SEC. 3. That there shall be added to section 1823 the following words

2 "Provided, that said fund may be maintained by collections based on either the step rate  
3 plan or level rate plan, for the entire time of each member up to age seventy, or for any term  
4 or period in this chapter allowed, and that in case of the level rate plan being used each mem-  
5 ber shall have information given in the official organ of such association as to the amount of  
6 reserve, as well as surplus, and in case of step rate plan the amount of surplus, to the credit  
7 of the group or sub-group to which he may belong; and

8 "Provided, that there shall be a uniform system of grouping such as shown by the designa-  
9 tions following: 18 entrants 1905; 18 entrants 1906; 45 entrants 1905, etc., meaning entrants  
10 aged 18 or 45 becoming members in 1905 or 1906, or as the fact may be, and the State Auditor  
11 shall be furnished with copies of such information and shall preserve the same at least three  
12 years."

SEC. 4. That there shall be added to section 1827 the following words:

2 "Provided, that such associations may be sued in any county where it seeks to obtain and  
3 enters on obtaining any money, services, or property under false and fraudulent pretenses,  
4 representations and promises, or indefinite demands, and it shall be the duty of county attor-  
5 neys to receive and formulate complaints and prosecute such cases as may be followed by con-  
6 viction and to report all other complaints to the Executive Council of the State of Iowa, and

7 "Provided, further, that complaint may be made to the county attorney of the county of  
8 residence of any member of such association that such association has so construed its consti-  
9 tution and laws as to deprive such member of his fraternal relations pending any appeal, or of  
10 his right to the official organ of such association pending any appeal, or of a fair hearing on  
11 the actual matter in controversy, or of his right to a settlement of the affairs of any subordi-  
12 nate body of such county of which complainant is a member, and the officers and others asso-  
13 ciated therewith, of such association, may be indicted for conspiracy on the advice of the  
14 county attorney, or any attorney, or at the instance of the member aforesaid.

SEC. 5. That after the words, "claims for benefit" in the second line of section 128 there  
2 shall be added the following words, "or share of the surplus arising to the credit of any group  
3 or sub-group in case the loss rate per thousand dollars of risk for the period or term shall be  
4 less than the estimated death rate under the standard herein allowed for the same group and  
5 period, and

6 "Provided further, that this section shall apply also in case each group has more than one  
7 class, or sub-group, arising from members paying a rate entitling them to other indemnity than  
8 (\$1,000) one thousand dollars, but the facts as to fractional and additional risks on one life of  
9 and above one thousand dollars shall be kept carefully in mind so that shares of surpluses and  
10 indemnities shall be equitably ascertained.

SEC. 6. That there shall be added to section 1828 the following words: "Assessments may  
2 be made on the level rate plan as herein delimited, which allows for a surplus and reserve  
3 fund, and the equitable share thereof of the individual member shall be exempt from execution  
4 and such funds may be invested in current securities for the purpose of securing mortality  
5 losses, and the interest on investments of surplus shall be put into the survivors' benefit fund,  
6 which fund may be increased by scaling of indemnity base;

7 "Provided that such association shall have a minimum indemnity, if it scales, and the in-  
8 demnity shall increase equitably in proportion to the investment of the individual, or there  
9 may be a diminishing rate for the same net indemnity, and the survivors' benefit fund shall  
10 be reported as an endowment fund for each group or sub-group or class."

SEC. 7. That there shall be added to clause 15, section 1830, the following words, "or endow-  
2 ment fund," and added to clause 17 after "class" the following words, "or group, and if so,  
3 how many and in what years started," and added to clause 19 after the word "number," the  
4 following words, "and ages at entrance and attained ages of each group and class, and strike  
5 out the words following, "in each class occurring at the close of clause 19.

SEC. 8. That there be added to section 1833 the following words: "Such association shall  
2 not be deemed to have no responsibility for such paid agents, nor to have conformed to this  
3 section, by reason of any contract or resolution whatever said subordinate bodies may be in-  
4 duced to make, and needless waste of time and money in making arrangements shall be taken  
5 as *prima facie* mismanagement, on proof of which the Executive Council shall cause the facts to  
6 be published in two papers of general circulation at the expense of such association and report  
7 same to the General Assembly, and each such association shall report annually to the State  
8 Auditor the meaning it puts on "building of" as used in this section.

9 "No such paid agent shall be present at the medical examination of any applicant, nor shall  
10 any such paid agent be permitted to see any medical report thereof."

SEC. 9. That there shall be added to section 1839 the following words: "Every applicant's  
2 medical fitness for membership in any such association shall be finally determined by a physi-  
3 cian residing in this State and representing such association, but such physician may use rules  
4 of a medical board of this State, or of such association not in conflict therewith, but no mem-  
5 bers of any such boards shall examine any applicant in this State. Violation of this section  
6 shall cause such association to be published as elsewhere herein provided."

SEC. 10. All acts and parts of acts in conflict with the provisions of this chapter are hereby  
2 repealed.

SEC. 11. This chapter shall take effect December 31, 1909.

SEC. 12. A copy of this act shall be furnished the Senators and Representatives from Iowa.