

Trustees appointed by court.

Shall give bond.

the probate proceedings in the county shall appoint three trustees, residents of said county, who shall have charge and control of the same and who shall continue to act or until removed by the court. And they shall give bond as required in case of executors to be approved in the same manner as in case of executors' bonds and said trustees shall be subject to the orders of said court.

Approved April 8, 1896.

CHAPTER 21.

S. F. 1.

AN ACT defining fraternal beneficiary societies, orders, or associations, and regulating the same.

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

Fraternal beneficiary associations declared corporations not for profit.

SECTION 1. A fraternal beneficiary association is hereby declared to be a corporation, society, or voluntary association, formed or organized and carried on for the sole benefit of its members and their beneficiaries, and not for profit, and having a lodge system, with ritualistic form of work and representative form of government.

May make provision for payment of benefits.

Such association shall make provision for the payment of benefits in case of death, and may make provision for the payment of benefits in case of sickness, temporary or permanent physical disability, either as a result of disease, accident, or old age, provided the period in life at which payment of physical disability benefits on account of old age commences shall not be under seventy years, subject to the compliance by members with its constitution and laws. *Provided*, that this act shall not be construed to include fraternal orders which only provide for sick and funeral benefits.

Source from which benefits are paid.

SEC. 2. The fund from which the payment of such benefits shall be made, and the expenses of such association defrayed, shall be derived from beneficiary calls, assessments, or dues collected from its members.

Minimum age 15, maximum age 65.

SEC. 3. No fraternal association created or organized under the provisions of this act shall issue any certificate of membership to any person under the age of fifteen years, nor over the age of sixty-five years, nor unless the beneficiary under said certificate shall be the husband, wife, relative, legal representative, heir, or legatee of such member.

Relation of insured member.

Such associations exempt from insurance statutes.

SEC. 4. Such associations shall be governed by this act and shall be exempt from the provisions of the statutes of this state relating to life insurance companies except as hereinafter provided.

Application must be attached to certificate.

SEC. 5. All such associations shall, upon the issue or renewal of any beneficiary certificate, attach to such certificate or endorse thereon, a true copy of any application

or representation of the member which by the terms of such certificate are made a part thereof. The omission to do shall not render the certificate invalid, but if any such association neglects to comply with the requirements of this section it shall not plead or prove the falsity of any such certificate or representation or any part thereof in any action upon such certificate, and the plaintiff in any such action in order to recover against such association shall not be required to either plead or prove such application or representation.

Omission not to render certificate invalid.

Omission not to be pleaded.

SEC. 6. Such association may be sued in any county in which is kept their principal place of business or in which the beneficiary contract was made or in which the death of the member occurred; but actions to recover old age, sick, or accident benefits may, at the option of the beneficiary, be brought in the county of his residence.

Suit brought in county where principal place of business is situated.

Sick or accident benefits.

SEC. 7. The proceeds of any beneficiary certificate issued by any such association and of any claims for benefits shall be exempt from execution and attachment to the same extent as the proceeds of any policy of life or endowment insurance as is now or may hereafter be provided by the laws of this state.

Proceeds exempt from execution.

SEC. 8. All such associations organized under the laws of this or any other state, territory, or province, and now doing business in this state, may continue such business, *provided* they hereafter comply with the provisions of this act.

May continue business when law is complied with.

SEC. 9. Any such association organized under the laws of any other state, and not now doing business in this state, shall be permitted to do business within this state when it shall have filed with the auditor of this state a duly certified copy of its charter and articles of association, and a copy of its constitution or laws, certified to by its secretary or corresponding officer, together with an appointment of the auditor of this state as a person upon whom process may be served as hereinafter provided; and *provided* that such association shall be shown to be authorized to do business in the state in which it is incorporated or organized. The auditor of state may personally, or by some person to be designated by him, examine into the condition, affairs, character, and business methods, accounts, books, and investments of such association at its home office, which examination shall be at the expense of such association, and shall be made within thirty days after demand therefor, and the expense of such examination shall be limited to \$5 per day and the necessary expenses of travel and for hotel bill. If the auditor, after such examination, is of the opinion that no permit should be granted to such association he may refuse to issue the same.

Provisions with which foreign companies must comply.

Service of process upon auditor.

Examination by auditor.

Examination at expense of association.

SEC. 10. Every such association doing business in this state shall, on or before the first day of March of each

Annual report to auditor of state.

Auditor to
provide
blanks for
report.

Publication

Contents of
report.

year, make, and file with the auditor of state, a report for the year ending on the 31st day of December immediately preceding. All reports shall be upon blank forms to be provided by the auditor of state, or may be printed in pamphlet form, and shall be verified under oath by the authorized officers of such association, and shall be published, or the substance thereof, in the annual report of the auditor of state under the separate title, "Fraternal Beneficiary Associations," and shall contain answers to the following questions:

1. Number of certificates issued during the year, or members admitted.
2. Amount of indemnity effected thereby.
3. Number of losses or benefit liabilities incurred.
4. Number of losses or benefit liabilities paid.
5. The amount received from each assessment for the year.
6. Total amount paid members, beneficiaries, legal representatives, or heirs.
7. Number and kind of claims for which assessments have been made.
8. Number and kind of claims compromised or resisted and brief statement of reasons.
9. Does association charge annual or other periodical dues or admission fees?
10. How much on each one thousand dollars annually, or per capita, as the case may be?
11. Total amount received, from what source, and the disposition thereof.
12. Total amount of salaries, fees, per diem, mileage, expenses paid to officers, showing amount paid to each.
13. Does the association guarantee, in its certificates fixed amounts to be paid regardless of amount realized from assessments, dues, admission fees, and donations.
14. If so, state amount guaranteed, and the security or such guarantee.
15. Has the association a reserve or emergency fund?
16. If so, how is it created, and for what purpose, the amount thereof, and how invested?
17. Has the association more than one class?
18. If so, how many, and amount of indemnity in each?
19. Number of members in each class?
20. If voluntary, so state, and give date of organization.
21. If organized under the laws of this state, under what law and at what time, giving chapter and year and date of passage of the act.
22. If organized under the laws of any other state, territory, or province, state such fact and the date of organization, giving chapter and year and date of passage of the act.

23. Number of certificates of beneficiary membership lapsed during the year.

24. Number in force at beginning and end of year; if more than one class, number in each class.

25. Names and addresses of its presidents, secretary, and treasurer, or corresponding officers.

The auditor of state is empowered to make any additional inquiries of any such association relative to the business contemplated by this act, and such officer of such association as the auditor of state may require shall promptly reply in writing, under oath, to all such inquiries.

Auditor may make additional inquiries.

SEC. 11. Any such association permitted to do business within this state and not having its principal office within this state, and not organized under the laws of this state, shall appoint, in writing, the auditor of state to be attorney in fact, on whom all process in any action or proceeding against it shall be served, and in such writing shall agree that any process against it which is served on said attorney in fact shall be of the same validity as if served upon the association, and that the authority shall continue in force so long as any liability remains outstanding in this state. Copies of such certificate, certified by said auditor of state, shall be deemed sufficient evidence thereof, and shall be admitted in evidence with the same force and effect as the original. Service upon such attorney shall be deemed sufficient service upon such association. When legal process against any such association is served upon said auditor of state, he shall immediately notify the association of such service by letter, postage prepaid, directed and mailed to its secretary or corresponding officer, and shall within two days after such service forward in the same manner a copy of the process served on him to such officer. The auditor of state shall keep a record of all processes served upon him, which record shall show the day and hour when such service was made.

Auditor designated as attorney for foreign associations.

Service on auditor same as if served on association.

Copies of certificate admitted as evidence.

Auditor to at once notify the association.

Record of process kept by the auditor.

SEC. 12. The auditor of state shall, upon the application of any such association, issue to it a permit in writing, authorizing it to do business within this state, for which certificate and all proceedings in connection therewith such association shall pay to said auditor the fee of twenty-five dollars.

Auditor to issue permit.

Fee for permit.

SEC. 13. Such association shall not employ paid agents in soliciting or procuring members, except in the organization or building up of subordinate bodies or granting members inducements to procure new members.

As to paid agents.

SEC. 14. No contract between a member and his beneficiary that the beneficiary or any person for him shall pay such member's assessments and dues, or either of them, shall deprive the member of the right to change the name of the beneficiary.

New members. Beneficiary may pay assessments.

Legislative or governing body may meet in any other state.

SEC. 15. Any such association, organized under the laws of this state, may provide for the meetings of its legislative or governing body in any other state, territory or province wherein such association shall have subordinate bodies, and all business transacted at such meeting shall be valid, in all respects, as if such meetings were held within this state; and where the laws of any such association provide for the election of its officers by votes to be cast in its subordinate bodies the votes so cast in its subordinate bodies in any other state, territory, or province shall be valid, as if cast within this state.

Elections to be valid when out of the state.

Refusal or neglect to report.

SEC. 16. Any such association refusing or neglecting to make the report as provided in this act shall be excluded from doing business within this state. The auditor of state must, within sixty days after failure to make such report, or in case any such association shall exceed its powers, or shall conduct its business fraudulently, or shall fail to comply with any of the provisions of this act, give notice in writing to the attorney-general, who shall immediately commence an action against such association to enjoin the same from carrying on any business. No association so enjoined shall have authority to continue business until such report shall be made, or overt act or violation complained of shall have been corrected, nor until the costs of such action be paid by it, provided the court shall find that such association was in default, as charged, whereupon the auditor of state shall reinstate such association, and not until then shall such association be allowed to again do business in this state. Any officer, agent, or person acting for any such association or subordinate body thereof within this state, while such association shall be so enjoined or prohibited from doing business pursuant to this act, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by a fine of not less than twenty-five dollars, nor more than two hundred dollars, or by imprisonment in the county jail not less than thirty days nor more than one year, or by both such fine and imprisonment, in the discretion of the court.

Fraud or failure to comply with law.

Associations enjoined must discontinue business in the state.

Reinstatement.

Officers or agents acting when association is enjoined.

Officers acting for association who have not complied.

Penalty.

Property obtained by agent through fraud.

SEC. 17. Any person who shall act within this state as an officer, agent, or otherwise, for any such association which has failed, neglected, or refused to comply with, or which has violated any of the provisions of this act, or shall have failed or neglected to procure from the auditor of state proper certificate of authority to transact business as provided for by this act, shall be subject to the penalty provided in the last preceding section for the misdemeanor therein specified.

SEC. 18. Any officer, agent, or member of such association who shall obtain any money or property belonging thereto, by any false or fraudulent representation, shall be fined not more than \$500 and costs and stand committed

until such fine and costs are paid or may be imprisoned in the county jail not more than six months. Penalty.

SEC. 19. Every applicant for membership in any association organized in this state shall first be examined by a physician holding a certificate from the state board of medical examiners. Applicant for membership must pass medical examination.

SEC. 20. All acts and parts of acts inconsistent with this act are hereby repealed. Repealing clause.

SEC. 21. This act, being deemed of immediate importance shall take effect from and after its publication in the Iowa State Register and Des Moines Leader, newspapers published in the city of Des Moines, Iowa. Publication.

Approved April 3, 1896.

I hereby certify that the foregoing act was published in the Iowa State Register, April 8, and Des Moines Leader, April 9, 1896.

W. M. MCFARLAND,
Secretary of State.

CHAPTER 22.

AN ACT to prevent combinations between fire insurance companies and providing penalties therefor.

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

SECTION 1. Any combination or agreement made or entered into by or between two or more fire or other insurance companies insuring property against casualties from the elements, transacting business within this state, or between the officers, agents, or employes of any such companies, relating to the rates to be charged for insurance, the amount of commissions to be allowed agents for procuring insurance, or the manner of transacting the business of fire insurance within this state, is hereby declared to be unlawful, and any such company, officer, or agent violating this provision shall be guilty of a misdemeanor and on conviction thereof, in any court having jurisdiction, shall pay a penalty of not less than one hundred dollars nor more than five hundred dollars for each offense, to be recovered for the use of the permanent school fund in the name of the state. Combinations between insurance companies or agents as to rates. Declared unlawful. Penalty for violation of this act.

SEC. 2. The auditor of state is hereby authorized to summons, and bring before him for examination under oath, any officer or employe of any fire insurance company transacting business within this state suspected of violating any of the provisions of this act; and on complaint in writing made to him by two or more residents of this state charging any such company under oath upon their knowledge or belief with violating the provisions of this act said auditor shall summons and cause to be brought before him for examination under oath any officer or employe of said company; and if upon such examination, and the Auditor may summons officers and employes. Complaint to be made in writing.