

IC 27-11-4

Chapter 4. Organization

IC 27-11-4-1

Application of chapter

Sec. 1. A domestic society organized after December 31, 1985, shall be formed under this chapter.

As added by P.L.262-1985, SEC.1.

IC 27-11-4-2

Organization of fraternal benefit society; articles of incorporation

Sec. 2. Seven (7) or more citizens of the United States, a majority of whom are citizens of this state, who desire to form a fraternal benefit society, may make, sign, and acknowledge before some officer competent to take acknowledgment of deeds and articles of incorporation. The article of incorporation must state the following:

(1) The proposed corporate name of the society, which must not resemble the name of any society or insurance company as to be misleading or confusing.

(2) The purposes for which it is being formed and the mode in which its corporate powers are to be exercised. Such purposes may not include more liberal powers than are granted by this article.

(3) The names and residences of the incorporators and the names, residences, and official titles of all the officers, trustees, directors, or other persons who are to have and exercise the general control of the management of the affairs and funds of the society for the first year or until the ensuing election at which all such officers shall be elected by the supreme governing body, which election shall be held not later than one (1) year from the date of issuance of the permanent certificate of authority.

As added by P.L.262-1985, SEC.1.

IC 27-11-4-3

Filing of articles of incorporation, bylaws and rules, forms of certificates, circulars, and bond

Sec. 3. Articles of incorporation, certified copies of the society's bylaws and rules, copies of all proposed forms of certificates, applications therefor, circulars to be issued by the society, and a bond conditioned upon the return to applicants of the advanced payments if the organization is not completed within one (1) year shall be filed with the commissioner, who may require further information as the commissioner considers necessary. The bond with sureties approved by the commissioner shall be not less than three hundred thousand dollars (\$300,000) nor more than one million five hundred thousand dollars (\$1,500,000), as required by the commissioner. All documents filed are to be in the English language.

If the purposes of the society conform to the requirements of this article and all provisions of the law have been complied with, the commissioner shall certify, retain, and file the articles of incorporation and furnish the incorporators a preliminary certificate of authority authorizing the society to solicit members as provided in this chapter.

As added by P.L.262-1985, SEC.1.

IC 27-11-4-4

Preliminary certificate of authority; expiration; extension

Sec. 4. No preliminary certificate of authority granted under this section shall be valid after one (1) year from its date or after a further period, not exceeding one (1) year, as may be authorized by the commissioner upon cause shown, unless the five hundred (500) applicants required in this chapter have been secured and the organization has been completed as provided. The articles of incorporation and all other proceedings thereunder shall become null and void in one (1) year from the date of the preliminary certificate of authority or at the expiration of the extended period, unless the society has completed its organization and received a certificate of authority to do business in Indiana.

As added by P.L.262-1985, SEC.1.

IC 27-11-4-5

Solicitation of members; liabilities incurred upon receipt of preliminary certificate

Sec. 5. Upon receipt of a preliminary certificate of authority from the commissioner, the society may solicit members for the purpose of completing its organization, shall collect from each applicant the amount of not less than one (1) regular monthly premium in accordance with its table of rates, and shall issue to each applicant a receipt for the amount collected. No society shall incur any liability other than for the return of the advance premium, nor issue any certificate, nor pay, allow, or offer or promise to pay or allow any benefit to any person until:

- (1) actual bona fide applications for benefits have been secured on not less than five hundred (500) applicants, and any necessary evidence of insurability has been furnished to and approved by the society;
- (2) at least ten (10) subordinate lodges have been established into which the five hundred (500) applicants have been admitted;
- (3) there has been submitted to the commissioner, under oath of the president or secretary, or corresponding officer of the society, a list of the applicants, giving their names, addresses, date each was admitted, name and number of the subordinate lodge of which each applicant is a member, amount of benefits to be granted, and premiums therefor; and

(4) it shall have been shown to the commissioner, by sworn statement of the treasurer, or corresponding officer of such society, that at least five hundred (500) applicants have each paid in cash at least one (1) regular monthly premium, which premiums in the aggregate amount to at least one hundred fifty thousand dollars (\$150,000). The advance premiums shall be held in trust during the period of organization and, if the society has not qualified for a certificate of authority within one (1) year as provided in this chapter, the premiums shall be returned to the applicants.

As added by P.L.262-1985, SEC.1.

IC 27-11-4-6

Certificate of authority

Sec. 6. The commissioner may make an examination and require any further information as the commissioner considers advisable. Upon presentation of satisfactory evidence that the society has complied with all the provisions of law, the commissioner shall issue to the society a certificate of authority authorizing the society to transact business under this article. The certificate of authority is prima facie evidence of the existence of the society at the date of the certificate. The commissioner shall cause a record of the certificate of authority to be made. A certified copy of the record may be given in evidence with like effect as the original certificate of authority.

As added by P.L.262-1985, SEC.1.