

## CHAPTER 19—H. F. No. 428.

*An act to appropriate money for the payment of salaries and expenses of employees of the state auditor for examining, appraising and selling state land, estimating and selling timber and detecting trespass upon and caring for state lands.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. \$25,000 appropriated for salaries, etc., of state auditor's office.—That the sum of twenty-five thousand (\$25,000.00) dollars, or so much thereof as may be found necessary, be and the same hereby is appropriated from any moneys in the state treasury not otherwise appropriated, for the payment of salaries and expenses of employees of the state auditor for examining, appraising and selling state land, estimating and selling timber, and detecting trespass upon and caring for state lands.

Sec. 2. This act shall take effect and be in force from and after its passage.

Approved February 17, 1919.

## CHAPTER 20—S. F. No. 239.

*An act to provide whole family protection for members of fraternal benefit societies.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Annuity benefits for children between ages of 2 and 16 years.—Any fraternal beneficiary association authorized to do business in this state and operating on the lodge plan may provide in its constitution and by-laws, in addition to other benefits provided for therein, for the payment of death or annuity benefits upon the lives of children between the ages of two and sixteen years at next birthday. Any person responsible for the support of a child may make application for such benefits. Provided that such society has a class of adult membership carrying life insurance certificates at a rate of contribution at least equal to those known as National Fraternal Congress rates with four (4) per cent interest, to which juvenile certificate holders shall be transferred without medical re-examination upon attaining the age of sixteen years. Any such association may at its option, organize and operate branches for such children and membership in local lodges and initiation therein shall not be required of such children, nor shall they have any voice in the management of the association. The total benefits payable as above provided shall in no case exceed the following amounts at ages at next birthday at the time of death, respectively, as follows: two, thirty-four dollars; three, forty dollars; four, forty-eight dollars; five, fifty-eight dollars; six, one hundred and forty dollars; seven, one hundred and sixty-eight dollars; eight, two hundred dollars; nine, two hundred and forty dollars; ten, three hundred dollars; eleven, three hundred and eighty

dollars; twelve, four hundred and sixty dollars; thirteen to fifteen, five hundred and twenty dollars; and sixteen years, where not otherwise authorized by law, six hundred dollars.

**Sec. 2. Medical examination and issuance of certificate.**—No benefit certificate as to any child shall take effect until after medical examination or inspected by a licensed medical practitioner, in accordance with the laws of the association, nor shall any such benefit certificate be issued unless the association shall simultaneously put in force at least five hundred such certificates, on each of which at least one assessment has been paid, nor where the number of lives represented by such certificate falls below five hundred. The death benefit contributions to be made upon such certificate shall be based upon the "Standard Industrial Mortality Table" or the "English Life Table Number Six" and a rate of interest not greater than four per cent, per annum, or upon a higher standard; provided that contributions may be waived or returns may be made from any surplus in excess of reserve and other liabilities, as provided in the by-laws, and, provided further that extra contributions shall be made if the reserves hereafter provided for become impaired.

**Sec. 3. Reservations required of association.**—Any association entering into such insurance agreements shall maintain on all such contracts the reserve required by the standard of mortality and interest adopted by the association for computing contributions as provided in section 2, and the funds representing the benefit contributions and all accretions thereon shall be kept as separate and distinct funds, independent of the other funds of the association, and shall not be liable for nor used for the payment of the debts and obligations of the association other than the benefits herein authorized; provided that an association may provide that when a child reaches the minimum age for initiation into membership in such association, any benefit certificate issued hereunder may be surrendered for cancellation and exchanged for any other form of certificate issued by the association, and upon the issuance of such new certificate any reserve upon the original certificate herein provided for shall be transferred to the credit of the new certificate. Neither the person who originally made application for benefits on account of such child, nor the beneficiary named in such original certificate nor the person who paid the contributions, shall have any vested right in such new certificate, the free nomination of a beneficiary under the new certificate being left to the child so admitted to benefit membership.

**Sec. 4. Annual report to insurance commissioner.**—An entirely separate financial statement of the business transactions and of assets and liabilities arising therefrom shall be made in its annual report to the Insurance Commissioner by any association availing itself of the provisions hereof. The separation of assets,

funds and liabilities required hereby shall not be terminated, rescinded or modified, nor shall the funds be diverted for any use other than as specified in section 3, as long as any certificate issued hereunder remains in force, and this requirement shall be recognized and enforced in any liquidation reinsurance, merger or other change in the condition of the status of the association.

**Sec. 5. Specified expense payments.**—Any association shall have the right to provide in its laws and the certificate issued hereunder for specified payments on account of the expense or general fund, which payments shall or shall not be mingled with the general fund of the association as its constitution and by-laws may provide.

**Sec. 6. Membership terminations.**—In the event of the termination of membership in the association by the person responsible for the support of any child, on whose account a certificate may have been issued, as provided herein, the certificate may be continued for the benefit of the estate of the child, provided the contributions are continued, or for the benefit of any other person responsible for the support and maintenance of such child, who shall assume the payment of the required contributions.

**Sec. 7. Valuations by insurance commissioner.**—The commissioner of insurance may make a valuation of such benefit certificates or he may accept the valuation thereof made by the insurance commissioner of the state under whose authority such association is organized, whenever such valuation has been made on sound and recognized principles when furnished with a certificate of such commissioner setting forth said value on the last day of the preceding year. Every such association which fails to promptly furnish such certificate when required shall on demand furnish the insurance commissioner detailed lists of all its certificates and securities and shall be liable for all charges and expenses resulting therefrom.

Approved February 18, 1919.

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#### CHAPTER 21—H. F. No. 59.

*An act to appropriate money to defray the cost of the publication of the proposed amendment to the Constitution during the month of October, 1918.*

Be it enacted by the Legislature of the State of Minnesota:

**Section 1. \$12,498.75 appropriated for publication of synopsis of proposed amendment.**—That the sum of twelve thousand four hundred ninety-eight dollars and seventy-five cents (\$12,498.75), be and is hereby appropriated out of any funds in the treasury, not otherwise appropriated for the payment of the publication of the proposed amendment to the constitution in various newspapers of the state during the month of October, 1918.

Approved February 18, 1919.