

(e) If there is no surviving spouse or dependent child, children or parent, then there shall be no payment made from the peace officers benefit fund. For the purpose of sections 352E.01 to 352E.05, killed in the line of duty shall not include any peace officer who dies as a result of a heart attack.

Sec. 2. This act is effective the day following its final enactment.

Approved May 15, 1975.

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#### CHAPTER 129—H.F.No.1494

*An act relating to insurance; providing for use of life insurance mortality tables and interest rates by fraternal beneficiary associations; amending Minnesota Statutes 1974, Sections 64A.21; 64A.24, Subdivision 1; 64A.25, Subdivision 4.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1974, Section 64A.21, is amended to read:

**64A.21 INSURANCE; FRATERNAL BENEFICIARY ASSOCIATIONS; MORTALITY TABLES AND INTEREST RATES; NON-FORFEITURE PROVISIONS, CASH SURRENDER VALUES, CERTIFICATE LOANS, RESERVES AND OTHER OPTIONS.** Any association may grant to its members paid-up and extended protection, or such withdrawal equities as its constitution and laws may provide; provided that:

(1) These grants shall in no case exceed in value the portion of the reserves to the credit of the members to whom they are made;

(2) The association shall show, by an annual valuation made by a competent actuary approved by the commissioner, that it is accumulating and maintaining for the benefit of these members the reserves required by the American Experience table of mortality, with interest at the rate of four percent per annum, or by the National Fraternal Congress table of mortality, with interest at the rate of four percent per annum, or by the mortality tables and interest rates prescribed by law for life insurance companies. The association shall carry as a liability the reserves so determined;

(3) The assets representing these reserves shall be held in trust for these members separate and distinct from assets belonging to members holding certificates on which these reserves are not maintained;

(4) The assets so held in trust shall not be used to pay any claims

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or benefits upon any certificates to members other than to the members for whom these assets are so held in trust;

(5) Nothing contained in this section, or contained in the laws of this state regulating associations, shall be held to restrict any association in the use of any surplus over and above the accumulation required by the table by which the rates are computed and the accretions thereon, as prescribed by the laws or rules of the association; provided, the same are used for the common benefit of all the members.

Sec. 2. Minnesota Statutes 1974, Section 64A.24, Subdivision 1, is amended to read:

**64A.24 CHILDREN'S BENEFITS; ASSOCIATION QUALIFICATIONS.** Subdivision 1. **QUALIFIED ASSOCIATIONS.** Any association authorized to do business in this state may provide in its articles and bylaws for the payment of death, annuity, or endowment benefits upon the lives of children below age 16 at next birthday; provided, that the association 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, or upon a table based upon the association's own experience of at least 20 years covering not less than 100,000 lives, with an interest assumption of not more than four percent per annum, or any higher standard at the option of the association or upon the mortality tables and interest rates prescribed by law for life insurance companies, to which juvenile certificate holders shall be transferred without medical reexamination upon attaining the age of 16 years.

Sec. 3. Minnesota Statutes 1974, Section 64A.25, Subdivision 4, is amended to read:

Subd. 4. **PREMIUMS, MORTALITY TABLE, EXTRA ASSESSMENTS.** The death benefit contributions to be made upon the certificate shall be based upon the standard industrial mortality table or the English life table number six, and at a rate of interest not greater than four percent per annum, or upon a higher standard or upon the mortality tables and interest rates prescribed by law for life insurance companies; provided, that the contributions may be waived or returns may be made from surplus in excess of reserve and other liabilities, as provided in the bylaws; and provided, further, that extra contributions shall be made if the reserves provided for in section 64A.27 become impaired.

Approved May 15, 1975.

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