

## CHAPTER 64B

## FRATERNAL BENEFIT SOCIETIES

64B.08 Personal liability; indemnification;  
insurance; advances.  
64B.11 Amendments to laws.

64B.18 Benefits not attachable.  
64B.27 Annual license.

**64B.08 PERSONAL LIABILITY; INDEMNIFICATION; INSURANCE; ADVANCES.**

*[For text of subds 1 to 3, see M.S.1986]*

Subd. 4. **Advances.** If a person is made or threatened to be made a party to a proceeding, the person is entitled, upon written request to the society, to payment or reimbursement by the society of reasonable expenses, including attorneys' fees and disbursements, incurred by the person in advance of the final disposition of the proceeding, (1) upon receipt by the society of a written affirmation by the person of a good faith belief that the criteria for indemnification set forth in subdivision 2 and the bylaws of the society have been satisfied and a written undertaking by the person to repay all amounts so paid or reimbursed by the society, if it is ultimately determined that the criteria for indemnification have not been satisfied; and (2) after a determination that the facts then known to those making the determination would not preclude indemnification under this section. The written undertaking required by clause (1) is an unlimited general obligation of the person making it but need not be secured and shall be accepted without reference to financial ability to make the repayment.

Subd. 5. **Elimination or limitation of liability.** A director's personal liability to the society, supreme governing body, or members for monetary damages for breach of fiduciary duty as a director may be eliminated or limited in the articles. The articles shall not eliminate or limit the liability of a director:

(1) for any breach of the director's duty of loyalty to the society, the supreme governing body, or its members;

(2) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

(3) for any transaction from which the director derived an improper personal benefit; or

(4) for any act or omission occurring prior to the date when the provision in the articles eliminating or limiting liability becomes effective.

**History:** 1987 c 33 s 1,2

**64B.11 AMENDMENTS TO LAWS.**

*[For text of subds 1 to 3, see M.S.1986]*

Subd. 4. **Filing of amendments by foreign or alien society.** Every foreign or alien society authorized to do business in this state shall be subject to the requirements of section 72A.061, subdivision 2, as to amendments or additions to its bylaws.

*[For text of subd 5, see M.S.1986]*

**History:** 1987 c 337 s 86

**64B.18 BENEFITS NOT ATTACHABLE.**

The cash value, proceeds, or benefits under any matured or unmatured life insurance or annuity contract issued before, on, or after June 2, 1987, by any society authorized to do business under this chapter, is exempt from attachment, garnishment, execution, or other legal process to the extent provided by section 550.37, subdivisions 10, 23, and 24.

**History:** 1987 c 337 s 87; 1987 c 384 art 1 s 3

**64B.27 ANNUAL LICENSE.**

Societies that are now authorized to transact business in this state may continue this business until the first day of June next succeeding August 1, 1985. The authority of the societies and all societies hereafter licensed, may thereafter be renewed annually, subject to section 60A.13, subdivisions 1, 5, 6, and 7. However, a license so issued shall continue in full force and effect until the new license is issued or specifically refused. A duly certified copy or duplicate of the license is prima facie evidence that the licensee is a fraternal benefit society within the meaning of this chapter.

**History:** 1987 c 337 s 88