

64B.39 BENEFICIARY ASSOCIATIONS.

Subdivision 1. **Definitions.** "Beneficiary association" means a corporation, society, or voluntary association heretofore organized and now existing and carried on for the sole benefit of its members and their families, relatives, or dependents, but not for profit, to insure the lives of its members only upon the whole life assessment plan, so-called, and in which organization admission to membership by a vote of the members or some governing body thereof, is a prerequisite to being entitled to such relief or policy of insurance, and which association sells neither endowments nor annuities.

Subd. 2. **Benefits.** Any beneficiary association may make provisions for the payment of benefits in case of sickness, or temporary or permanent physical disability, as a result of disease, accident, or age exceeding 70 years, and may also provide for the payment of funeral expenses of a member not exceeding \$250; in any case, all of these benefits to be paid, subject to compliance by its members with its constitution and bylaws, out of funds derived from assessments and dues collected from its members.

Subd. 3. **Eligible beneficiaries.** Payments of death benefits shall be made only to the families, heirs, blood relatives, adopted children, fiance or fiancée of the member, or persons dependent upon the member, or, when the certificate of membership may so provide, the executor or administrator of the estate of the member in trust for the person or persons above mentioned as may be designated in the certificate. Any member who, by reason of old age, or other disability, is dependent for support, in whole or in part, upon another, whether or not such other stands in the above relationship to the member, may, with the consent of the association, and under regulations it prescribes, designate the person upon whom the member is so dependent as a beneficiary under the certificate; and, in that case, the death benefits shall be paid according to this designation.

Subd. 4. **Reserve; taxation.** Every association may create and maintain a reserve fund for that purpose and shall be held to be an institution of public charity, and shall be exempt from payment of any taxes for state, county, or municipal purposes, except that the real estate of the association shall be taxed as other real estate in the state.

Subd. 5. **Law applicable.** The beneficiary society or association shall be governed by the provisions of this chapter not inconsistent with this section and be excluded from all provisions of the insurance laws of this state to the same extent as fraternal benefit societies.

History: 1985 c 49 s 39; 1986 c 444; 1992 c 564 art 1 s 54