

## Article - Insurance

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§8-442.

(a) (1) All assets of a society shall be held, invested, and disbursed for the use and benefit of the society.

(2) A society member or beneficiary of a member does not have and may not acquire individual rights in the assets of the society and is not entitled to any apportionment or the surrender of any part of the assets except as provided in the insurance contract.

(b) A society may create, maintain, invest, disburse, and apply special funds as necessary to carry out any purpose allowed by the laws of the society.

(c) (1) This subsection applies only to a society with admitted assets that are less than the sum of its accrued liabilities and reserves under all of its certificates when valued according to standards required for certificates issued after December 31, 1963.

(2) A society described in paragraph (1) of this subsection shall state distinctly, in each law of the society regarding payments by members, the purpose of the payments and the proportion of the payments that may be used for expenses.

(3) A society described in paragraph (1) of this subsection may not use any money collected for mortuary or disability purposes, or its net earnings, for expenses.

(d) (1) A society, pursuant to resolution of its supreme governing body, may establish and operate one or more separate accounts and issue contracts on a variable basis, subject to the provisions of law regulating life insurers establishing such accounts and issuing such contracts.

(2) To the extent the society considers it necessary in order to comply with any applicable federal or State laws, or any rules issued under applicable federal or State laws, the society:

(i) may adopt special procedures for the conduct of the business and affairs of a separate account;

(ii) for persons having beneficial interests in an account, may provide special voting and other rights, including special rights and procedures relating to investment policy, investment advisory services, selection of certified public accountants, and selection of a committee to manage the business and affairs of the account; and

(iii) may issue contracts on a variable basis to which §§ 8-432(c) and 8-446 of this subtitle shall not apply.

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