

Article - Insurance

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§8-404.

(a) Except as provided in this section, this subtitle and the other insurance laws of the State do not apply to:

(1) a grand or subordinate lodge or society, order, or association that:

(i) was doing business in the State on December 31, 1963;

(ii) provides benefits exclusively through local or subordinate lodges;

and

(iii) does not issue benefit certificates;

(2) an order, society, or association that:

(i) 1. limits its membership to individuals engaged in one or more crafts or hazardous occupations in the same or similar lines of business; and

2. insures only its members and their families and dependents; or

(ii) 1. as to individual health insurance policies, offers those policies in this State only to members of the Mennonite Church and their dependents and families;

2. was formed as a fraternal benefit society under the laws of the State of Indiana prior to January 1, 1966 for the purpose of providing mutual aid in affiliation with the Mennonite Church; and

3. is registered as a foreign corporation under § 7-202 of the Corporations and Associations Article;

(3) a society or auxiliary of an order, society, or association described in item (2) of this subsection;

(4) a domestic society that:

(i) limits its membership to employees of a particular municipal area or a designated firm, business house, or corporation;

(ii) provides for individual death benefits not exceeding \$400 per year or disability benefits not exceeding \$350 per year or both; and

(iii) does not issue benefit certificates;

- (5) a domestic society or association that:
 - (i) has a purely religious, charitable, or benevolent purpose;
 - (ii) provides for individual death benefits not exceeding \$400 per year or disability benefits not exceeding \$350 per year or both;
 - (iii) does not issue benefit certificates; and
 - (iv) has a membership of not more than 1,000 individuals; and
- (6) any association, whether or not a fraternal benefit society:
 - (i) that was organized before 1880;
 - (ii) the members of which are officers or enlisted, regular or reserve, active, retired, or honorably discharged members of the Armed Forces or the Sea Services of the United States; and
 - (iii) a principal purpose of which is to provide insurance and other benefits to its members and the dependents or beneficiaries of its members.
- (b) Except for an organization described in subsection (a)(2) or (3) of this section, a society that is exempt from this subtitle may not give, allow, or promise to give or allow to any person compensation for obtaining new members.
- (c) The provisions of this subtitle relating to medical examination, valuation of benefit certificates, and incontestability do not apply to a society that:
 - (1) provides benefits in case of death or disability resulting solely from accident; and
 - (2) does not obligate itself to pay natural death or sickness benefits.
- (d) By examination or otherwise, the Commissioner may require information from any society or association that will enable the Commissioner to determine whether the society or association is exempt from this subtitle.

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