

LD6924288

HOUSE BILL NO. 2025

Offered January 23, 1995

A *BILL to amend and reenact § 38.2-4135 of the Code of Virginia, relating to insurance; fraternal benefit societies.*

Patron—Heilig

Referred to Committee on Corporations, Insurance and Banking

Be it enacted by the General Assembly of Virginia:**1. That § 38.2-4135 of the Code of Virginia is amended and reenacted as follows:**

§ 38.2-4135. Exemption of certain societies.

A. Nothing contained in this chapter shall be construed to affect or apply to:

1. Grand or subordinate lodges of Masons, Odd Fellows, or Knights of Pythias, exclusive of the insurance department of the Supreme Lodge Knights of Pythias, or the Junior Order of United American Mechanics, exclusive of the beneficiary degree or insurance branch of the National Council, Junior Order of United American Mechanics;

2. Similar societies which do not issue insurance certificates;

3. An association of local lodges of a society now doing business in this Commonwealth which provides death benefits of not more than \$500 to any 1 person, or disability benefits of not more than \$300 in any 1 year to any 1 person, or both;

4. Contracts of reinsurance business on benefits of fraternal benefit societies in this Commonwealth;

5. Grand or subordinate lodges of societies, orders or associations now doing business in this Commonwealth which provide benefits exclusively through local or subordinate lodges;

6. Orders, societies or associations which admit to membership only persons engaged in one or more crafts or hazardous occupations, in the same or similar lines of business, insuring only their own members and their families, and the ladies' societies or ladies' auxiliaries to such orders, societies or associations;

7. Domestic societies which limit their membership to employees of a particular city or town, designated firm, business house or corporation which provide for a death benefit of not more than \$400 to any 1 person, or disability benefits of not more than \$350 to any 1 person in any 1 year, or both; or

8. Domestic societies or associations of a purely religious, charitable or benevolent description, which provide for a death benefit of not more than \$100 or for disability benefits of not more than \$150 to any 1 person in any 1 year, or both; or

9. *Any association, whether a fraternal benefit society or not, which was organized before 1880 and whose members are officers or enlisted, regular or reserve, active, retired, or honorably discharged members of the Armed Forces and Sea Services of the United States, and a principal purpose of which is to provide insurance and other benefits to veterans or their dependents.*

B. Any such society or association described in subdivisions 7 and 8 of subsection A which provides for death or disability benefits for which benefit certificates are issued, and any such society or association included in subdivision 8 of subsection A which has more than 1,000 members, shall comply with all provisions of this chapter.

C. No society which, by the provisions of this section, is exempt from the requirements of this chapter, except any society described in subdivision 6 of subsection A of this section, shall give or allow, or promise to give or allow to any person any compensation for procuring new members.

D. Every society which provides for benefits in case of death or disability resulting solely from accident, and which does not obligate itself to pay natural death or sick benefits, shall have all privileges and be subject to the applicable provisions and regulations of this chapter except that the provisions relating to medical examination, valuations of benefit certificates, and incontestability shall not apply to such society.

E. The Commission may require from any society or association, by examination or otherwise, such information as will enable the Commission to determine whether such society or association is exempt from the provisions of this chapter.

F. Societies, *orders or associations* exempted under the provisions of this section shall also be exempt from all other provisions of the insurance laws of this Commonwealth.

INTRODUCED

HB2025