CHAPTER 35

Mutual Benevolent Aid Associations

**SECTION 38‑35‑10.** Formation of mutual associations.

Members of religious denominations, local lodges, or fraternal orders under the control and supervision of a representative governing body within this State or of local labor organizations with a national or international charter or any number of persons, not less than twenty, a majority of whom must be bona fide residents of this State may, when investigated and approved by the director or his designee, form mutual associations, incorporated or unincorporated, for the purpose of aiding their members or their beneficiaries in times of sickness and death by levying equitable assessments for the payment of sick relief or death benefits upon compliance with this chapter.

HISTORY: Former 1976 Code Section 38‑35‑10 [1962 Code Section 37‑441; 1968 (55) 2584; 1971 (57) 474; 1972 (57) 3116] has no comparable provisions in 1987 Act No. 155; Former 1976 Code Section 38‑23‑10 [1947 (45) 322; 1952 Code Section 37‑1001; 1962 Code Section 37‑1001] recodified as Section 38‑35‑10 by 1987 Act No. 155, Section 1; 1993 Act No. 181, Section 634.

**SECTION 38‑35‑20.** Conduct of associations.

A mutual association may not have paid agents for the soliciting of business or members and must be conducted without profit.

HISTORY: Former 1976 Code Section 38‑35‑20 [1962 Code Section 37‑442; 1968 (55) 2584] recodified as Section 38‑71‑10 by 1987 Act No. 155, Section 1; Former 1976 Code Section 38‑23‑20 [1947 (45) 322; 1952 Code Section 37‑1002; 1962 Code Section 37‑1002] recodified as Section 38‑35‑20 by 1987 Act No. 155, Section 1.

**SECTION 38‑35‑30.** Assessments.

Assessments must be made by a mutual association at the time an individual becomes a member or at the time of death or sickness of a member and for the purpose of paying benefits due the member because of death or sickness.

HISTORY: Former 1976 Code Section 38‑35‑30 [1962 Code Section 37‑443; 1968 (55) 2584] no comparable provisions in 1987 Act No. 155; Former 1976 Code Section 38‑23‑30 [1947 (45) 322; 1952 Code Section 37‑1003; 1962 Code Section 37‑1003; 1984 Act No. 330] recodified as Section 38‑35‑30 by 1987 Act No. 155, Section 1.

**SECTION 38‑35‑40.** Annual report; certificate of compliance.

Mutual associations shall file an annual report with the department. If, after examination of the report, the director or his designee determines that the mutual association has complied with the insurance laws, he may issue it a certificate showing compliance.

HISTORY: Former 1976 Code Section 38‑35‑40 [1947 (45) 322; 1952 Code Section 37‑453; 1962 Code Section 37‑453] recodified as Section 38‑71‑70 by 1987 Act No. 155, Section 1; Former 1976 Code Section 38‑23‑40 [1947 (45) 322; 1952 Code Section 37‑1004; 1962 Code Section 37‑1004] recodified as Section 38‑35‑40 by 1987 Act No. 155, Section 1; 1993 Act No. 181, Section 635.

**SECTION 38‑35‑50.** Examinations.

A mutual association is subject to any examination by the director or his designee which will enable him to determine that it has complied with the state insurance laws.

HISTORY: Former 1976 Code Section 38‑35‑50 [1962 Code Section 37‑444; 1968 (55) 2569] recodified as Section 38‑71‑20 by 1987 Act No. 155, Section 1; Former 1976 Code Section 38‑23‑50 [1947 (45) 322; 1952 Code Section 37‑1005; 1962 Code Section 37‑1005] recodified as Section 38‑35‑50 by 1987 Act No. 155, Section 1; 1993 Act No. 181, Section 636.

**SECTION 38‑35‑60.** Exemption from license fees.

Mutual associations shall not pay a license fee.

HISTORY: Former 1976 Code Section 38‑35‑60 [1962 Code Section 37‑445; 1968 (55) 2582] recodified as Section 38‑71‑120 by 1987 Act No. 155, Section 1; Former 1976 Code Section 38‑23‑60 [1947 (45) 322; 1952 Code Section 37‑1005; 1962 Code Section 37‑1005] recodified as Section 38‑35‑60 by 1987 Act No. 155, Section 1.