

Fraternal Beneficial Associations.

An. Code, 1924, sec. 146. 1922, ch. 492, sec. 143.

180. Fraternal Beneficiary Association Defined.¹ Any corporation, society, order or association, without capital stock organized and carried on solely for the mutual benefit of its members and their beneficiaries, and not for profit, and having a lodge system with ritualistic form of work, and representative form of government, and which shall make provision for the payment of benefits in accordance with section 184 hereof, is hereby declared to be a fraternal beneficiary association.

An. Code, 1924, sec. 147. 1922, ch. 492, sec. 144.

181. (Lodge System Defined.) Any association having a supreme governing or legislative body and subordinate lodges or branches, by whatever name known, into which members shall be elected, initiated and admitted in accordance with its constitution, laws, rules, regulations and prescribed ritualistic ceremonies, which subordinate lodges or branches shall be required by the laws of such association to hold regular or stated meetings at least once in each month, shall be deemed to be operating on the lodge system.

An. Code, 1924, sec. 148. 1922, ch. 492, sec. 145.

182. (Representative Form of Government Defined.) Any such association shall be deemed to have a representative form of government when it shall provide in its constitution and laws for a supreme legislative or governing body, composed of representatives elected either directly or indirectly by the members, together with such other members as may be pre-

¹ The act of 1922, ch. 492, which enacted this article, repealed all of the insurance sections of art. 23 of the An. Code of 1912, and also the sections of that Code under the sub-title "Fraternal Societies, Orders or Associations"—see foot-note, at the beginning of art. 48A. There are a number of cases which construed or dealt with the sections of art. 23 of the An. Code of 1912 under the last mentioned sub-title, but as the act of 1922 enacted entirely new sections on this subject, it is difficult, and in some cases impossible, to allocate those decisions to particular sections of this article. In order, however, that these decisions may not be lost sight of, they are collected in this foot-note under the number of the section of art. 23 of the An. Code, of 1912, to which they refer.

229. The record held not to disclose the character of business done by a society so that it might be determined whether it came within the purview of this and the following sections or was a mutual insurance company; case remanded for the taking of testimony. If this and the following sections were applicable to the society, a woman who was not the member's wife, nor related to or dependent upon him, held not to be entitled to benefits. If, however, the society is a mutual or co-operative insurance company, the woman aforesaid was entitled to recover, she being named as beneficiary in the certificate of insurance. Where the designation of the beneficiary proves ineffectual, the fund does not revert to the society, but goes to such persons as are eligible under the statute or by the laws of the society or the certificate. *Meinhardt v. Meinhardt*, 117 Md. 428 (decided prior to the act of 1912, ch. 824).

Since a member of a beneficial order had no property in the fund in controversy which could pass under his will, and as he left no widow surviving him, the money was payable under this and the following section and under the by-laws of the order, to his children. While benefits are not assignable except to the beneficiaries named in this section and with the consent of the order duly attested, the member may surrender his certificate and have a new one issued to one or more of the specified beneficiaries. *Mineola Tribe v. Lizer*, 117 Md. 140 (decided prior to the act of 1912, ch. 824).

Where a corporation has a capital stock, and issues policies of insurance such as can only be issued by insurance companies, the business being conducted for the benefit of the stockholders, it is not acting under this section (although it has been reincorporated under the act of 1894, ch. 295), and if it purports to issue such policies under this section, it ceases to be entitled to the privileges of it. This section construed in connection with art. 23, secs. 192 and 193, An. Code, 1912. *International Fraternal Alliance v. State*, 86 Md. 552.