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March 3, 1897.

CHAP. 382.—An Act Regulating fraternal beneficial associations in the District of Columbia.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a fraternal beneficial association is hereby declared to be a corporation, society, order, or voluntary association, formed or organized and carried on for the sole benefit of its members and their beneficiaries, and not for profit, having a lodge system, with ritualistic form of work and representative form of government, making provision for the payment of benefits in case of death. Each such association may make provision for the payment of benefits in case of sickness, temporary or permanent physical disability, either as the result of disease, accident, or old age: *Provided*, That the period in life at which payment of physical disability benefits on account of old age commences shall not be under seventy years, or the age of expectancy from the time of entering, subject to their compliance with its laws. Any such association may create and maintain a reserve, emergency, or benefit fund in accordance with its laws. Any such association having a reserve, emergency, or benefit fund, may, in addition to the benefits hereinbefore named, pay withdrawal benefits, not exceeding the contributions of such member, to a member unable or unwilling to continue membership, provided such membership shall continue not less than three successive years. Such association may also, after ten years of membership, apply its funds and accumulations as its laws provide, or the association and members agree. The fund from which the payment of such benefits shall be made, and the fund from which the expenses of such association shall be defrayed, shall be derived from assessments, dues, and other payments collected from its members or otherwise. Payment of death benefits shall be to the families, heirs, blood relatives, affianced husband, or affianced wife of, or to persons dependent upon the member. Such associations shall be governed by this Act, and shall be exempt from the provisions of insurance laws of the United States relating to the District of Columbia, and no law hereafter passed shall apply to them unless they be expressly designated therein: *Provided, however*, That the fact that any such association has outstanding agreements with its members for the payment of benefits other than those hereinbefore specified, if it is making no new contracts of that character and is retiring those already existing, shall not exclude such association from the operation of this Act.

District of Columbia.
Fraternal beneficial associations.
Description.
Disability benefits.
Provisos.
Age limit.
Funds.
Death benefits.
Exemption from insurance laws.
Outstanding agreements.

SEC. 2. That all such associations coming within the description as set forth in section one of this Act, organized under the laws of the United States relating to said District, or any State, country, province, or Territory, and now doing business in said District, may continue such business: *Provided*, That they hereafter comply with the provisions of this Act, regulating annual reports and the designation of the assessor of said District as the person upon whom process may be served as hereinafter provided.

Associations continued.
Proviso.
Annual reports.

SEC. 3. That any such association coming within the description as set forth in section one of this Act, organized under the law of any State, country, province, or Territory, and not now doing business in said District, shall be admitted to do business within said District when it shall have filed with the assessor a duly certified copy of its charter and articles of association, and a copy of its laws, certified to by its secretary or corresponding officer, together with an appointment of the assessor of said District as the person upon whom process may be served as hereinafter provided: *Provided*, That such association shall be shown to be authorized to do business in the State, country, province, or Territory in which it is incorporated or organized, in case the laws of such State, country, province, or Territory shall provide for such authorization; and in case the laws of such State, country, province, or Territory do not provide for any formal authorization to do business on the part of any such association, then such association

Registry of foreign companies.
Proviso.
Authority to be shown.

shall be shown to be conducting its business in accordance with the provisions of this Act; for which purpose the assessor may personally, or by some person to be designated by him, examine into the condition, affairs, character, and business methods, accounts, books, and investments of such association at its home office; which examination shall be at the expense of such association, and shall be made within thirty days after demand therefor; and the expense of such examination shall be limited to fifty dollars.

Examination by assessor.

SEC. 4. That every such association doing business in said District shall, on or before the first day of March of each year, make and file with the assessor of said District a report of its affairs and operations during the year ending on the thirty-first day of December immediately preceding, which annual report shall be in lieu of all other reports required by any other law. Such report shall be upon blank forms to be provided by the assessor, or may be printed in pamphlet form, and shall be verified under oath by the duly authorized officers of such association, and shall be published, or the substance thereof, in the annual report of the assessor, under a separate part entitled "Fraternal Beneficial Associations," and shall contain answers to the following questions:

Annual report to assessor of District.

Contents.

First. Number of certificates issued during the year or members admitted?

Second. Amount of indemnity effected thereby?

Third. Number of losses or benefit liabilities incurred?

Fourth. Number of losses or benefit liabilities paid?

Fifth. The amount received from each assessment for the year?

Sixth. Total amount paid members, beneficiaries, legal representatives or heirs?

Seventh. Number and kind of claims for which assessments have been made?

Eighth. Number and kind of claims compromised or resisted, and brief statement of reasons?

Ninth. Does association charge annual or other periodical dues or admission fees?

Tenth. If so, how much on each one thousand dollars, annually or per capita, as the case may be?

Eleventh. Total amount received, from what source, and the disposition thereof?

Twelfth. Total amount of salaries paid to officers?

Thirteenth. Does association guarantee in its certificates fixed amounts to be paid regardless of amount realized from assessments, dues, admission fees, and donations?

Fourteenth. If so, state amount guaranteed and the security of such guaranty.

Fifteenth. Has the association a reserve or emergency fund?

Sixteenth. If so, how is it created, and for what purpose, the amount thereof, and how invested?

Seventeenth. Has the association more than one class?

Eighteenth. If so, how many, and the amount of indemnity in each case?

Nineteenth. Number of members in each class?

Twentieth. If voluntary so state, and give date of organization.

Twenty-first. If organized under the laws of said District, under what law and at what time, giving chapter and year, and date of passage of the Act?

Twenty-second. If organized under the laws of any State, country, province, or Territory, state such fact and the date of organization, giving chapter and year, and date of passage of the Act.

Twenty-third. Number of certificates of beneficial membership lapsed during the year?

Twenty-fourth. Number in force at beginning and end of year; if more than one class, number in each class?

Twenty-fifth. Names and addresses of its president, secretary, and treasurer, or corresponding officers?

Outside companies to appoint assessor as attorney.

SEC. 5. That each such association now doing or hereafter admitted to do business within said District, and not having its principal office within said District and not being organized under the laws of the United States relating to said District, shall appoint, in writing, the assessor and his successors in office to be its true and lawful attorney, upon whom all lawful process in any action or proceeding against it may be served, and in such writing shall agree that any lawful process against it which is served on said attorney shall be of the same legal force and validity as if served upon the association, and that the authority shall continue in force so long as any liability remains outstanding in said District. Copies of such certificate certified by said assessor shall be deemed sufficient evidence thereof, and shall be admitted in evidence with the same force and effect as the original thereof might be admitted. Service upon such attorney shall be deemed sufficient service upon such association. When legal process against such association is served upon said assessor he shall immediately notify the association of such service by letter, prepaid and directed to its secretary or corresponding officer, and shall, within two days after such service, forward in the same manner a copy of the process served on him to such officer. The plaintiff in such process so served shall pay to the assessor at the time of such service a fee of three dollars, which shall be recovered by him as a part of the taxable costs, if he prevails in his suit. The assessor shall keep a record of all processes served upon him, which record shall show the day and hour when such service was made.

Litigation.

Permit.

SEC. 6. That the assessor of said District shall, upon the application of any association having the right to do business within said District, as provided by this Act, issue to such association a permit in writing authorizing such association to do business within said District, for which certificate and all proceedings in connection therewith such association shall pay the said assessor the fee of five dollars.

Fee.

Formation of associations.

SEC. 7. That any nine or more persons, at least one-third of whom shall be residents of the District of Columbia, being desirous of forming a fraternal beneficial association for the purpose set forth in section one of this Act, may associate themselves together and effect such organization as hereinafter prescribed, and not otherwise. Such persons shall make, sign, and acknowledge before any officer authorized to take the acknowledgment of deeds in this District and file in the office of recorder of deeds of said District a certificate or declaration in writing to be recorded in a book kept for that purpose and open to public inspection in which shall be stated the name or title by which said association shall be known to law, the mode and manner in which the corporate powers granted by this Act are to be exercised; the name or official title of the officers, trustees, representatives, or other persons by whatever name or title designated who are to have and exercise the general control and management of its affairs; the place of doing business defined, the limit as to age of applicants for beneficial membership, which shall not exceed fifty-five years, and that medical examinations are required of applicants for life benefits, together with the sworn statement by three of said corporators that at least one hundred persons eligible under the proposed laws of such association to membership therein have in good faith made application in writing for membership. The recorder of deeds, upon the filing of said declaration, shall deliver to such association a certified copy of the papers so filed and recorded in his office, together with a certificate to such association, stating that the provisions of this Act relative to incorporation have been complied with and that said association becomes thereby authorized to carry on the work of a fraternal beneficial association. Upon filing the certificate or declaration as aforesaid the persons who shall have signed and acknowledged the same, and their successors and associates, shall, by the provisions of this Act, be a body politic and corporate by the name and style stated in the certificate,

Application to be filed with recorder of deeds.

Certificate.

Incorporation.

and by that name and style shall have perpetual succession, and may have and use a common seal, and the same may alter and change at pleasure, and may make and alter at times or from to time time such laws, not inconsistent with the Constitution of the United States or the laws in force in said District, as they may deem necessary for the government of said association. And they and their successors by their corporate name shall in law be capable of creating, maintaining, and disbursing a reserve or emergency fund in accordance with its laws and the provisions of this Act, and of taking, receiving, purchasing, and holding real and personal estate necessary for the purpose of said association, and may let, place out at interest, or sell and convey the same as may seem most beneficial for said association. The association shall elect from its members trustees, directors, or managers, by whatever title known in its laws, at such time and place, and in such manner as may be specified in its laws, who shall have the control and management of the affairs and funds of said association, a majority of whom shall be a quorum for the transaction of business; and whenever any vacancy shall happen among such trustees, directors, or managers by death, resignation, or otherwise such vacancy shall be filled in such manner as shall be provided by the laws of said association.

Powers.

Officers.

Incorporation of existing associations.

SEC. 8. That the officers, trustees, directors, or governing body of any existing fraternal beneficial association may, by conforming to the requirements of the several provisions of this Act, reincorporate themselves or continue their existing corporate powers under this Act or change their name, stating in their certificate the original name of such corporation as well as their new name assumed, and all the property and effects of such existing corporation shall vest in and belong to the corporation so reincorporated or continued.

Incorporation of subordinate bodies of associations.

SEC. 9. That any subordinate body of any fraternal beneficial association incorporated under the provisions of this Act, or of such association now doing business or which may hereafter be admitted to do business in this District under this Act, where the laws of the governing body of said association do not prohibit the incorporation of their subordinate bodies, may become a body corporate in the manner following: At some regular meeting of such subordinate body a resolution, expressing the desire of such subordinate body to be incorporated and directing its officers to perfect such incorporation, shall be submitted to a vote of the members present, and if two-thirds of the members present vote therefor, the president and secretary of such subordinate body, or the officers holding relative offices therein, shall prepare articles of association under their hands and the seal of such subordinate body, setting forth, first, the number of members of such subordinate body then in good standing; second, the name by which said subordinate body is known; third, the date of its organization and the period for which it is to be incorporated, not exceeding thirty years. A copy of such articles of association shall be filed with the recorder of deeds, and shall by him be recorded, together with the affidavit hereafter named, in a book to be kept for that purpose. On the execution of said articles of association, and before the filing thereof with the recorder, the secretary of such subordinate body shall annex thereto his affidavit, stating that he is a member in good standing in such subordinate body and occupies the position of secretary, or the office corresponding therewith, and that the resolution, a copy of which shall be set forth at length, was regularly passed at a regular meeting of said subordinate body and received the vote of two-thirds of the members present and voting, and that, to the best of his knowledge and belief, the statements made in the articles of association are true, and that such subordinate body is organized and acting under the laws of its respective association, giving the name by which such association is known. When the foregoing requirements are complied with, such subordinate body shall be a body corporate by the name expressed in such articles, and by that name shall be a person in law capable of suing and being sued in the courts, and taking and

Articles of association.

Filing.

Affidavit of secretary.

Incorporation.

holding property of every kind, the same as natural persons, and a copy of said articles of association duly certified to by the recorder of deeds, in whose possession they are, shall be prima facie evidence in all courts and places of the existence and the due incorporation of such subordinate body.

Contracts to pay members' assessments void.

SEC. 10. That no contract with any such association shall be valid when there is a contract, agreement, or understanding between the member and the beneficiary prior to or at the time of becoming a member of the association that the beneficiary, or any person for him, shall pay such member's assessments and dues, or either of them.

Benefits not to be attached, etc.

SEC. 11. That the money or other benefit, charity, relief, or aid to be paid, provided, or rendered by any association authorized to do business under this Act, shall not be liable to attachment, garnishment, or other process, and shall not be seized, taken, appropriated, or applied by any legal or equitable process, or by operation of law, to pay any debt or liability of a certificate holder or of any beneficiary named in a certificate, or any person who may have any right thereunder.

Meetings outside the District.

SEC. 12. That any such association organized under the laws of said District may provide for the meetings of its legislative or governing body in any State, country, Province, or Territory wherein such association shall have subordinate bodies, and all business transacted at such meetings shall be valid in all respects, as if such meetings were held within said District; and where the laws of any such association provide for the election of its officers by votes to be cast in its subordinate bodies, the votes so cast in its subordinate bodies in any State, country, Province, or Territory shall be valid, as if cast within said District.

Punishment for false statements, etc.

SEC. 13. That any person, officer, member, or examining physician who shall knowingly or willfully make any false or fraudulent statement or representation in or with reference to any application for membership or for the purpose of obtaining any money or benefit in any association transacting business under this Act shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine of not less than one hundred dollars nor more than five hundred dollars, or imprisonment in the United States jail in said District for not less than thirty days or more than one year, or both, in the discretion of the court; and any person who shall willfully make a false statement of any material fact or thing in a sworn statement as to the death or disability of a certificate holder in any such association for the purpose of procuring payment of a benefit named in the certificate of such holder, and any person who shall willfully make any false statement in any verified report or declaration under oath required or authorized by this Act, shall be guilty of perjury, and shall be proceeded against and punished as provided by the statutes of the United States in relation to the crime of perjury.

Injunctions on failure to report.

SEC. 14. That any such association refusing or neglecting to make the report as provided in this Act shall be excluded from doing business within said District. Said assessor must, within sixty days after failure to make such report, or in case any such association shall exceed its powers, or shall conduct its business fraudulently, or shall fail to comply with any of the provisions of this Act, give notice in writing to the attorney for said District, who shall immediately commence an action against such association to enjoin the same from carrying on any business. An injunction against any such association may be granted by any court on application by the attorney for said District at the request of the assessor. No association so enjoined shall have authority to continue business until such report shall be made, or overt act or violations complained of shall have been corrected, nor until the costs of such action be paid by it: *Provided*, That the court shall find that such association was in default, as charged, whereupon the assessor shall reinstate such association, and not until then shall such association be allowed to again do business in said District. Any officer, agent, or person acting for any association or subordinate body

Proviso. Reinstatement.

Penalty to officers for illegal acts, etc.

thereof, within said District, while such association shall be so enjoined or prohibited from doing business pursuant to this Act, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine of not less than twenty-five dollars nor more than two hundred dollars, or by imprisonment in said jail not less than thirty days nor more than one year, or by both such fine and imprisonment, in the discretion of the court.

Penalty for acting for associations excluded from doing business.

SEC. 15. That any person who shall act within said District as an officer, agent, or otherwise for any association which shall have failed, neglected, or refused to comply with, or shall have violated any of the provisions of this Act, or shall have failed or neglected to procure from the assessor a proper certificate of authority to transact business as provided for by this Act, shall be subject to the penalty provided in the last preceding section for the misdemeanor therein specified. To "transact business" or "doing business" under this Act means the writing of applications and the soliciting of new members so far as the penalty of the Act applies thereto. It shall not be unlawful for any organization under section one to continue the operation of its lodges or branches except in securing new members.

Not applicable to life insurance companies, etc.

SEC. 16. That nothing in this Act shall be construed to apply to any corporation, society, order, or association carrying on the business of life, health, casualty, or accident insurance for profit or gain, and shall only apply to fraternal beneficial associations as defined by section one, and nothing in this Act contained shall be construed to affect any grand or subordinate lodge or branch of any such fraternal beneficial societies, orders, or associations which limits its certificate holders to a particular religious denomination or to the employees of a particular town or city, designated firm, business house, or corporation, or Department or branch of the United States Government, nor the grand or subordinate lodges of the Independent Order of Odd Fellows, nor any grand, subordinate lodge, or other body of Free and Accepted Masons, nor the grand or any subordinate lodge of the Knights of Pythias, or similar orders, associations, or societies that do not have as their principal object the issuance of benefit certificates of membership in case of death or the payment of sick, funeral, or death benefits exceeding in amount one hundred dollars.

Societies not affected.

Incorporations excluded.

SEC. 17. That the provisions of this Act shall not extend to nor apply to any association or individual who shall, in the certificate filed with the recorder of deeds, use or specify a name or style the same as that of any previously existing incorporated fraternal beneficial association in the District of Columbia.

Repeal.

Provisos.

SEC. 18. That all acts and parts of acts inconsistent with the provisions of this Act are hereby repealed: *Provided*, That all rights, franchises and privileges granted by this Act shall be subject to amendment or repeal by Congress.

Approved, March 3, 1897.

March 3, 1897.

CHAP. 383.—An Act To prevent the spread of contagious diseases in the District of Columbia.

District of Columbia.

Contagious diseases. Definitions.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of this Act the term "contagious disease" shall be held to mean Asiatic cholera, yellow fever, typhus fever, smallpox (including varioloid), leprosy, the plague, and glanders, or any of these diseases by whatsoever name it may be designated; the term "case of contagious disease" shall be held to mean any person suffering from any such disease. Any person shall be held to be suffering from a contagious disease who is so infected by such disease as to be capable of transmitting it to others. The presence of the ordinary clinical symptoms of any contagious disease shall be prima facie evidence that such case is or was such a disease; and the