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**INSURANCE CODE - INS** 

DIVISION 2. CLASSES OF INSURANCE [1880 - 12880.8] (Division 2 enacted by Stats. 1935, Ch. 145.) PART 2. LIFE AND DISABILITY INSURANCE [10110 - 11549] (Part 2 enacted by Stats. 1935, Ch. 145.) CHAPTER 10. Fraternal Benefit Societies [10970 - 11165] (Chapter 10 repealed and added by Stats. 1951, Ch. 1193.

ARTICLE 2. Definitions [10990 - 10993] (Article 2 added by Stats. 1951, Ch. 1193.)

10990. Any incorporated society, order or supreme lodge, without capital stock, conducted solely for the benefit of its members and their beneficiaries and not for profit, operated on a lodge system with ritualistic form of work, having a representative form of government, and which makes provision for the payment of benefits in accordance with this chapter, is hereby declared to be a fraternal benefit society.

When used in this chapter, the word "society," unless otherwise indicated, shall mean fraternal benefit society. (Repealed and added by Stats. 1951, Ch. 1193.)

10991. A society having a supreme legislative or governing body and subordinate lodges or branches by whatever name known, into which members are elected, initiated, or admitted in accordance with its constitution, laws, and ritual, which subordinate lodges or branches shall be required by the laws of the society to hold regular meetings at least once a month in furtherance of the purposes of the society, shall be deemed to be operating on the lodge system.

(Amended by Stats. 1995, Ch. 166, Sec. 1.5. Effective January 1, 1996.)

**10992.** A society shall be deemed to have a representative form of government when:

- (a) It provides in its constitution or laws for a supreme legislative or governing body, composed of representatives elected either by the members or by delegates elected directly or indirectly by the members, together with such other members as may be prescribed by the society's constitution and laws;
- (b) The representatives elected constitute a majority in number and have not less than two-thirds of the votes nor less than the votes required to amend its constitution and laws;
- (c) The meetings of the supreme legislative or governing body and the election of officers, representatives and delegates, by whatever name known, are held as often as once in four calendar years;
- (d) The members, officers, representatives and delegates, by whatever name known, shall not vote by proxy; and
- (e) The officers may be elected by the board of directors if the board of directors is itself elected by the supreme legislative or governing body.

(Repealed and added by Stats. 1951, Ch. 1193.)

10993. Every fraternal benefit society organized or admitted under this chapter is hereby declared to be a charitable and benevolent institution, and all of its funds shall be exempt from all and every state, county, district, municipal and school tax, other than taxes on real estate and office equipment.

(Repealed and added by Stats. 1951, Ch. 1193.)