

**31A-22-902 Fraternal contract.**

- (1) A fraternal shall issue to each benefit member a policy or certificate specifying the benefits provided and containing at least the substance of all sections of the laws of the fraternal which might result in the termination of coverage or the reduction of benefits. The policy or certificate, any riders or endorsements attached to them, the laws of the fraternal, and the application and declarations made in connection with these which are signed by the applicant, constitute the agreement between the fraternal and the member, and the policy or certificate shall state this.
- (2) Any changes in the laws of a fraternal which are made subsequent to the issuance of a policy or certificate bind the member and beneficiary as if they had been in force at the time of the application, so long as they do not destroy or diminish any benefits provided in the policy or certificate.
- (3) Copies of any documents mentioned in Subsections (1) and (2), certified by the secretary or corresponding officer of the fraternal, are evidence of the terms and conditions of the contract.
- (4) Section 31A-21-106 does not apply to fraternal contracts.
- (5) If a fraternal's laws provide for expulsion or suspension of a member for any reason other than nonpayment of premium, the fraternal's insurance certificate shall contain a provision that if a member is expelled or suspended for any reason other than nonpayment of premium, the expelled member has the right to maintain the policy in force by continuing to pay the required premium.
- (6) The policy or certificate shall contain a maintenance of solvency provision pursuant to Subsection 31A-9-209(2).
- (7) This section applies to all contracts made by a fraternal beginning July 1, 1986. A fraternal may elect to have this section apply at an earlier date, as long as it applies simultaneously to all of its contracts and the fraternal gives the commissioner at least 30 days notice of its intention to apply this section.

Amended by Chapter 204, 1986 General Session