

Part 1 General Provisions

31A-9-101 Definitions.

- (1) As used in this chapter:
 - (a) "Fraternal" or "fraternal benefit society" means a corporation organized or operating under this chapter that:
 - (i) has no capital stock;
 - (ii) exists solely for:
 - (A) the benefit of its members and their beneficiaries; and
 - (B) any lawful social, intellectual, educational, charitable, benevolent, moral, fraternal, patriotic, or religious purpose for the benefit of its members or the public, carried on through voluntary activity of its members in their local lodges or through institutional programs of the fraternal or its local lodges;
 - (iii) has a lodge system;
 - (iv) has a representative form of government; and
 - (v) provides insurance benefits authorized under this chapter.
 - (b) "Laws of a fraternal" include its articles of incorporation and bylaws, however designated.
 - (c) "Lodge system" means one in which:
 - (i) there is a supreme governing body;
 - (ii) subordinate to the supreme governing body are local lodges, however designated, into which natural persons are admitted as members in accordance with the laws of the fraternal;
 - (iii) the local lodges are required by the laws of the fraternal to hold regular meetings at least monthly; and
 - (iv) the local lodges regularly engage in programs involving member participation to implement the purposes of Subsection (1)(a)(ii).
 - (d) "Representative form of government" means the fraternal complies with Section 31A-9-403.
- (2) In any provisions of law made applicable to fraternal by this chapter, the technical terms used in those provisions are applicable to fraternal despite the use of other parallel terms by fraternal.
- (3) The definitions in Section 31A-1-301 and the definitions to the following terms in Section 16-6a-102 apply to fraternal:
 - (a) "articles of incorporation";
 - (b) "bylaws"; and
 - (c) "member."

Amended by Chapter 386, 2009 General Session

31A-9-102 Scope and purposes.

- (1)
 - (a) This chapter applies to all fraternal organized under the laws of this state.
 - (b) Except as expressly provided in this chapter and in Section 31A-14-210, this chapter does not apply to nondomestic fraternal.
- (2) The purposes of this chapter include:
 - (a) providing a complete, self-contained procedure for the formation of fraternal;

- (b) assuring the solidity of fraternal organizations by providing an organizational framework to facilitate sound management, operation, and regulation;
- (c) strengthening internal fraternal democracy through member participation; and
- (d) encouraging the fulfillment of the special purposes of fraternal organizations.

Enacted by Chapter 242, 1985 General Session

31A-9-103 Orders imposing and relaxing restrictions.

- (1) The commissioner may subject any fraternal organization to some or all of the restrictions of Subsections 31A-5-305(2)(a)(i) and (ii), and Subsection 31A-5-410(1)(b), as such provisions are incorporated by Sections 31A-9-303 and 31A-9-407.
- (2) The commissioner may free a fraternal organization from any of the restrictions applicable to fraternal organizations under the provisions enumerated in Subsection (1), if he is satisfied that the fraternal organization's financial condition, management, and other circumstances give assurance that the interests of insureds and the public will not be endangered by the waiver.

Amended by Chapter 204, 1986 General Session

31A-9-104 Applicability of other insurance laws to fraternal organizations.

- (1) No section of Chapter 5, Domestic Stock and Mutual Insurance Corporations, applies to fraternal organizations unless it is specifically made applicable by this chapter.
- (2) Each section of the Insurance Code, other than in Chapter 5, Domestic Stock and Mutual Insurance Corporations, that applies to mutuals subject to Chapter 5, Domestic Stock and Mutual Insurance Corporations, also applies to domestic and nondomestic fraternal organizations unless:
 - (a) this chapter or the particular section provides otherwise; or
 - (b) the particular section is inconsistent with a provision applying explicitly to fraternal organizations, in this chapter or elsewhere.

Enacted by Chapter 242, 1985 General Session

31A-9-105 General corporate powers and procedures.

- (1) Section 16-10a-302 applies to the general powers of fraternal organizations.
- (2) Section 16-6a-304 applies to ultra vires issues in fraternal organizations.
- (3) Subsection 31A-5-104(3) applies to the omission of a seal in a fraternal organization.
- (4) Sections 16-6a-705 and 16-6a-707 apply to waiver of notice and consent to action without a meeting in a fraternal organization.
- (5) Subsection 31A-5-104(5) applies to the power to hold assets as a trustee in a fraternal organization.

Amended by Chapter 300, 2000 General Session

31A-9-106 Miscellaneous provisions.

Sections 31A-5-105 and 31A-5-106 apply to fraternal organizations.

Amended by Chapter 10, 1997 General Session