IC 27-11-6

Chapter 6. Contractual Benefits

IC 27-11-6-1

Contractual benefits

Sec. 1. (a) A society may provide the following contractual benefits in any form:

(1) Death benefits.

(2) Endowment benefits.

(3) Annuity benefits.

(4) Temporary or permanent disability benefits.

(5) Hospital, medical, or nursing benefits.

(6) Monument or tombstone benefits to the memory of deceased members.

(7) Such other benefits as authorized for life insurers and that are not inconsistent with this chapter.

(b) A society shall specify in its rules those persons who may be issued or covered by the contractual benefits in subsection (a), consistent with providing benefits to members and their dependents. A society may provide benefits on the lives of children under the minimum age for adult membership upon application of an adult person.

As added by P.L.262-1985, SEC.1.

IC 27-11-6-2

Beneficiaries of benefit contracts; funeral benefits; failure to designate lawful beneficiary

Sec. 2. (a) The owner of a benefit contract is entitled to change the beneficiary or beneficiaries in accordance with the laws or rules of the society unless the owner waives this right by specifically requesting in writing that the beneficiary designation be irrevocable. A society may, through its laws or rules, limit the scope of beneficiary designations and shall provide that no revocable beneficiary shall have or obtain any vested interest in the proceeds of any certificate until the certificate has become due and payable in conformity with the provisions of the benefit contract.

(b) A society may make provision for the payment of funeral benefits to the extent of such portion of any payment under a certificate as might reasonably appear to be due to any person equitably entitled thereto by reason of having incurred expense occasioned by the burial of the member.

(c) If at the death of any person insured under a benefit contract there is no lawful beneficiary to whom the proceeds shall be payable, the amount of the benefit, except to the extent that funeral benefits may be paid, shall be payable to the personal representative of the deceased insured, provided that if the owner of the certificate is other than the insured, the proceeds shall be payable to such owner.

As added by P.L.262-1985, SEC.1.

IC 27-11-6-3

Limitation on use of benefits to pay debts or liabilities of members, beneficiaries, or other persons

Sec. 3. No money or other benefit, charity, relief, or aid to be paid, provided, or rendered by any society shall be liable to attachment, garnishment, or other process or to be seized, taken, appropriated, or applied by any legal or equitable process or operation of law to pay any debt or liability of a member, beneficiary, or any other person who may have a right thereunder, either before or after payment by the society.

As added by P.L.262-1985, SEC.1.

IC 27-11-6-4

Issuance of certificate to owner of benefit contract

Sec. 4. Every society authorized to do business in this state shall issue to each owner of a benefit contract a certificate specifying the amount of benefits provided. The certificate, together with any riders or endorsements attached to the certificate, the laws of the society, the application for membership, the application for insurance and declaration of insurability, if any, signed by the applicant, and all amendments to each constitutes the benefit contract as of the date of issuance between the society and the owner, and the certificate shall so state. A copy of the application for insurance and declaration of insurability, if any, shall be endorsed upon or attached to the certificate. All statements on the application shall be representations and not warranties. Any waiver of this provision shall be void.

As added by P.L.262-1985, SEC.1.

IC 27-11-6-5

Effect of changes, additions, or amendments to laws of society upon owner and beneficiaries of benefit contract

Sec. 5. Any changes, additions, or amendments to the laws of the society duly made or enacted subsequent to the issuance of the certificate shall bind the owner and the beneficiaries and shall govern and control the benefit contract in all respects as though the changes, additions, or amendments had been made before and were in force at the time of the application for insurance, except that no change, addition, or amendment shall destroy or diminish benefits that the society contracted to give the owner as of the date of issuance.

As added by P.L.262-1985, SEC.1.

IC 27-11-6-6

Issuance of benefit contract upon life of a minor

Sec. 6. Any person upon whose life a benefit contract is issued before attaining the age of majority shall be bound by the terms of the application and certificate and by all the laws and rules of the society to the same extent as though the age of majority had been attained at the time of application.

As added by P.L.262-1985, SEC.1.

IC 27-11-6-7

Payment of owner's equitable proportion of deficiency where society's reserves are impaired

Sec. 7. A society shall provide in its laws that if its reserves as to all or any class of certificates become impaired its board of directors or corresponding body may require that there shall be paid by the owner to the society the amount of the owner's equitable proportion of such deficiency as ascertained by its board, and that, if the payment is not made, either:

(1) it shall stand as an indebtedness against the certificate and draw interest not to exceed the rate specified for certificate loans under the certificates; or

(2) instead of or in combination with subdivision (1), the owner may accept a proportionate reduction in benefits under the certificate.

The society may specify the manner of the election and which alternative is to be presumed if no election is made.

As added by P.L.262-1985, SEC.1.

IC 27-11-6-8

Copies of documents as evidence of terms and conditions

Sec. 8. Copies of any of the documents mentioned in this chapter, certified by the secretary or corresponding officer of the society, shall be received in evidence of the terms and conditions thereof.

As added by P.L.262-1985, SEC.1.

IC 27-11-6-9

Filing of copy of certificate with commissioner; contents of certificate

Sec. 9. A certificate shall not be delivered or issued for delivery in Indiana unless a copy of the form has been filed with the commissioner in the manner provided for like policies issued by life insurers in Indiana. Every life, accident, health, or disability insurance certificate and every annuity certificate issued after December 31, 1986, shall meet the standard contract provision requirements not inconsistent with this chapter for like policies issued by life insurers in this state, except that a society may provide for a grace period for payment of premiums of one (1) full month in its certificate. The certificate shall also contain a provision stating the amount of premiums that are payable under the certificate and a provision reciting or setting forth the substance of any sections of the society's laws or rules in force at the time of issuance of the certificate that, if violated, will result in the termination or reduction of benefits payable under the certificate. If the laws of the society provide for expulsion or suspension of a member, the certificate shall also contain a provision that any member so expelled or suspended, except for nonpayment of a premium or within the contestable period for material misrepresentation in the application for membership or insurance, shall have the privilege of maintaining the certificate in force by continuing payment of the required premium.

As added by P.L.262-1985, SEC.1. Amended by P.L.2-1995,

SEC.110.

IC 27-11-6-10

Benefit contract issued on life of a minor; transfer of control of ownership to the insured

Sec. 10. Benefit contracts issued on the lives of persons below the society's minimum age for adult membership may provide for transfer of control of ownership to the insured at an age specified in the certificate. A society may require approval of an application for membership in order to effect this transfer and may provide in all other respects for the regulation, government, and control of certificates and all rights, obligations, and liabilities incident to a benefit contract. Ownership rights before a transfer shall be specified in the certificate.

As added by P.L.262-1985, SEC.1.

IC 27-11-6-11

Assignment of benefit contracts

Sec. 11. A society may specify the terms and conditions on which benefit contracts may be assigned.

As added by P.L.262-1985, SEC.1.

IC 27-11-6-12

Cash surrender value, loans, or other options

Sec. 12. (a) For certificates issued before January 1, 1987, the value of every paid-up nonforfeiture benefit and the amount of any cash surrender value, loan, or other option granted shall comply with the provisions of law applicable on December 31, 1985.

(b) For certificates issued after December 31, 1986, for which reserves are computed on the Commissioner's 1941 Standard Ordinary Mortality Table, the Commissioner's 1941 Standard Industrial Table, the Commissioner's 1958 Standard Ordinary Mortality Table, the Commissioner's 1980 Standard Mortality Table, or any more recent table made applicable to life insurers, every paid-up nonforfeiture benefit and the amount of any cash surrender value, loan, or other option granted shall not be less than the corresponding amount ascertained in accordance with the laws of this state applicable to life insurers issuing policies containing like benefits based upon the tables.

As added by P.L.262-1985, SEC.1.