

In the introductory language of this section, the former reference to "the purposes of a society conform[ing] to the requirements of this subtitle" is deleted as redundant in light of the more comprehensive requirement that a society "[comply] with this subtitle".

In item (2) of this section, the reference to a certificate "of authority" is added for consistency throughout this subtitle and to conform to administrative practice.

Defined terms: "Certificate of authority" § 1-101

"Commissioner" § 1-101

"Society" § 8-401

#### 8-415. COMPLETING ORGANIZATION OF SOCIETY.

##### (A) INITIAL SOLICITATIONS AUTHORIZED.

(1) AFTER RECEIVING A PRELIMINARY CERTIFICATE OF AUTHORITY FROM THE COMMISSIONER, A SOCIETY MAY SOLICIT MEMBERS FOR THE PURPOSES OF COMPLETING ITS ORGANIZATION.

(2) UNTIL THE SOCIETY COMPLIES WITH THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION, THE SOCIETY MAY NOT:

(I) INCUR ANY LIABILITY OTHER THAN FOR THE RETURN OF AN ADVANCE PREMIUM;

(II) ISSUE ANY CERTIFICATE; OR

(III) PAY, ALLOW, OR OFFER OR PROMISE TO PAY OR ALLOW ANY DEATH OR DISABILITY BENEFIT.

##### (B) REQUIREMENTS.

EACH SOCIETY SHALL:

(1) SECURE BONA FIDE APPLICATIONS FOR DEATH BENEFITS IN AN AGGREGATE AMOUNT OF AT LEAST \$500,000 ON AT LEAST 500 LIVES;

(2) RECEIVE FROM EACH APPLICANT EVIDENCE OF INSURABILITY SATISFACTORY TO THE SOCIETY;

(3) HAVE ON FILE CERTIFICATES OF EXAMINATION OR ACCEPTABLE DECLARATIONS OF INSURABILITY APPROVED BY THE SOCIETY'S CHIEF MEDICAL EXAMINER;

(4) COLLECT FROM EACH APPLICANT THE AMOUNT OF AT LEAST ONE REGULAR MONTHLY PREMIUM UNDER THE SOCIETY'S TABLE OF RATES AS PROVIDED BY THE SOCIETY'S CONSTITUTION AND LAWS, AND ISSUE TO EACH APPLICANT A RECEIPT FOR THE AMOUNT RECEIVED;

(5) COLLECT PREMIUMS AS PROVIDED IN ITEM (4) OF THIS SUBSECTION IN AN AGGREGATE AMOUNT OF AT LEAST \$2,500 AND CREDIT THE PREMIUMS TO THE FUNDS FROM WHICH BENEFITS ARE TO BE PAID;