

Life Insurance Company, Changing From Mutual to Stock Company. Insurance Company, Foreign, Fees Of.

A mutual life insurance company which votes to discontinue and the directors thereof incorporate a stock company and reissue the policies held by the mutual company, does not authorize the stock company to enter the state under the fees and licenses paid by the mutual company, as the latter company is a separate and distinct corporation in law.

Helena, Montana, April 8, 1908.

Hon. Harry R. Cunningham,
State Auditor,
Helena, Montana.

Dear Sir:—

Your letter of the 6th inst., received, in which you submit the fol-

lowing proposition for an opinion:

Bankers Reserve Life Company, operated on the mutual plan, has been legally admitted to do business in the State of Montana; at a meeting of the stockholders of said company in January 1908, they voted to discontinue the mutual company known as "Bankers Reserve Life" and a stock company was duly organized known as "The Bankers Reserve Life Company" and by an agreement entered into between Bankers Reserve Life Company and The Bankers Reserve Life Company, the former company insured all policies theretofore carried by it in the latter company. Now, the latter company has submitted articles of its incorporation and other papers required by law to be filed by a foreign life insurance company before being authorized to do business in this state, and the question is whether this company must pay the fee required of a new company or may be admitted under the fees heretofore paid by Bankers Reserve Life Company.

In our opinion The Bankers Reserve Life Company must pay the fees required of any other foreign life insurance company when coming into this state to do business. It is a separate and distinct company under the law from Bankers Reserve Life Company, and can exercise powers and write policies that the old company could not. The old company could have reinsured their policies in some stock company already organized, but not attempted to do business in this state. In such event it is perfectly apparent that such stock company, in the event of afterwards entering this state to do business, would have to pay the full fees required by law, and the fact that Bankers Reserve Life Company instead of doing this, organized a new company for the purpose of taking this reinsurance makes no difference in the law, for the new company, as a matter of law, is as separate and distinct from the old company as would have been the case had they reinsured their business in the New York Life.

Very truly yours,

ALBERT J. GALEN,

Attorney General.