

Insurance, Mutual Fire. Applications, for Insurance. Transfer, of Applications for Insurance. Corporations, for Mutual Fire Insurance.

Applications made for insurance in a Mutual Fire Insurance Company can not be used as applications for insurance in another company without a formal transfer or endorsement therefor by the applicant.

November 20, 1914.

Hon. William Keating,
State Auditor,
Helena, Montana.

Dear Sir:

I am in receipt of your letter submitting the proposition:

"Where a Mutual Fire Insurance Company has reached the limit of insurance under its by-laws, may it utilize the excess applications for insurance as applications for insurance in a new Mutual Fire Insurance Company?"

Under the provisions of Section 4045, Revised Codes, before such a company can transact business, it shall have agreements with at least two hundred applicants, with premiums amounting to not less than twenty-five thousand dollars, five thousand of which must be paid in cash, and the balance in notes. Agreements to take insurance stand on the same footing as agreements to do anything else; hence, a party agreeing to take insurance in a certain company is not bound to accept insurance in any other company, and in as much as a company cannot do business until it has the agreements specified in the law, it follows that the applications for insurance in one company cannot be utilized as applications for insurance in any other company. Hence new applications would have to be taken for the new company or the applications for insurance in the old company would have to be transferred in some manner that was as binding upon the applicant as an application for insurance in the new company.

The question submitted must therefore, be answered in the negative. I return herewith the letter transmitted by you.

Yours truly,

Attorney General.