

Insurance Premium — Rebate—Promissory Note—Interest.

To waive the payment of interest on promissory notes to secure payment of insurance premium does not constitute a

rebate within the meaning of Chapter 15 of the Session Laws of 1909.

March 28th, 1919.

Hon. Geo. P. Porter,
State Auditor and Commissioner of
Insurance, exofficio,
Helena, Montana.

Dear Sir:

Replying to your letter of March 20th, enclosing copy of letter from the Lincoln National Life Insurance Company of Fort Wayne, Indiana, I have to advise as follows: Chapter 15 of the 1909 Session Laws defines rebating and discrimination by life insurance companies. The only portion of this Act which has not been construed is the following: "Nor shall any such company or any officer, agent, solicitor or representative thereof, pay, allow or give or offer to pay, allow or give directly or indirectly as inducement to insurance any rebate of premium payable on the policy or any special favor of advantage in the dividends or any other benefits to accrue thereon." Interest is the sum paid for the use of money. It is my opinion that it is entirely optional with an insurance company or an agent if they desire to take a man's note for the payment of an insurance premium, to require the payment of interest upon that note or to waive such requirements and I do not think that the failure to bring suit for interest on a premium note is a rebate or a discrimination within the meaning of the statute. It is not a rebate or premium payable on the policy nor is it a special advantage in the dividends or other benefits to accrue thereon.

Respectfully,

S. C. FORD,

Attorney General.