

**Insurance Commissioner—Life Insurance—Insurance—
Fraternal Insurance Companies.**

Since the Chicago National Life Insurance Company is simply under-writing insurance issued by the International Brotherhood of Boiler Makers and Iron Ship Builders, and this contract was not entered into in this state and adjustments and payments of losses are not made in this state the company is not writing insurance in Montana.

February 20, 1928.

George P. Porter, Esq.,
State Auditor and Commissioner of Insurance,
Helena, Montana.

My dear Mr. Porter:

You have submitted to me the correspondence had with the Chicago National Life Insurance Company relative to certificates of insurance issued by the International Brotherhood of Boiler Makers and Iron Ship Builders for health and accident insurance, and requested my opinion as to whether the Chicago National Life Insurance Company in writing this insurance for this organization is doing business in Montana.

From the correspondence submitted it appears that the Chicago National Life Insurance Company entered into a contract with the International Brotherhood of Kansas City, Kansas, which is also the home office of said brotherhood, and the contract contains the following provision:

“Any sum payable by the company as a death or disability claim shall be payable by the company at the office of the International Brotherhood at Kansas City, Kansas, for the use and benefit of the beneficiary designated by the insurance, in accordance with the terms of the policy.”

In addition to the group insurance policy the company delivered to the brotherhood at Kansas City a certificate, certifying the insurance covering each member of the brotherhood who is in good standing under the terms of the group policy and who has paid his premiums or dues. This certificate in each case is approved by the brotherhood and when so approved is delivered by the brotherhood to the member whose life is insured in accordance with the group policy. All premiums are paid by the brotherhood to the company. No premium is paid by any member of the brotherhood direct to the company.

It is evident that the Chicago National Life Insurance Company is not doing business in Montana but has simply entered into a contract with the brotherhood whereby the company underwrites insurance issued by the brotherhood to its members. That this is true is shown by section 1, article XII of the constitution of the brotherhood which reads as follows:

“The International Brotherhood will pay death benefits to all members who were in good standing in the International Brotherhood on the twenty-sixth day of September, 1925, or who shall subsequently become members of the International Brotherhood, and who are in good standing at the date of their death. * * *”

The constitution of the International Brotherhood shows that this is a fraternal benefit organization, and it is therefore my opinion that if the brotherhood meets the requirements as affecting organizations of this kind that it can lawfully issue certificates to its members residing in this state.

Very truly yours,

L. A. FOOT,
Attorney General.