

**Insurance—Commissioner of Insurance—Life Insurance
—Policies.**

The words "foundation," "founders," "organization," "silver anniversary," or "Christmas special," when added to the title of the policy is prohibited by section 6290, R.C.M. 1921, if the words have a special meaning in the insurance business or trade which would import that the policy was a special kind differing in its nature from the regular form of policy issued by the company when in fact there was no such difference.

Mr. George P. Porter,
Commissioner of Insurance,
Helena, Montana.

January 23, 1931.

My dear Mr. Porter:

You inquire whether, under sections 6287 and 6290, R.C.M. 1921, a life insurance company is prohibited from issuing policies of insurance which are otherwise regular but which have added to the title thereof the word "Foundation," "Founders," "Organization," "Silver Anniversary," or "Christmas Special."

Section 6287 prohibits life insurance companies from issuing agency company stock, or other stock or securities, or any special or advisory board, or other contract of any kind promising returns and profits as an inducement to insurance, and further forbids a corporate agent of a life insurance company from selling, offering to sell or give any share of stock, securities, bonds or agreement promising returns and profits as an inducement to insurance, or in connection therewith.

It is apparent that the annexation of the words mentioned in your letter to a policy, which is otherwise regular, does not violate the above

section as under no construction could it be said that by the mere addition of these words the life insurance company, or its agents, were offering stocks, bonds or securities to the insured, or anything else promising returns and profits as an inducement to insurance.

Section 6290 prohibits a life insurance company from issuing or circulating any estimate, illustration, circular, or statement of any sort, misrepresenting the terms of any policy issued by it or the benefits or advantages promised thereby, or the dividends or shares of surplus to be received thereon, or using any name or title of any policy or class of policies misrepresenting the true nature thereof. If the words mentioned in your letter have any special meaning in the insurance business or trade so that by the use of the words they would import a special kind of policy differing in its nature from the regular form of policy issued by the company and yet in fact the policy issued upon which they appear is merely the regular policy issued by the company and does not contain terms in conformity with the meaning of said words as understood by the insurance trade, then, in my opinion, the use of such words would be a misrepresentation of the true nature of the policy within the meaning of section 6290.

The same would be true if the company issuing the policy intended by the use of the words to lead the insured to believe that he was procuring a policy with special terms differing from those of the ordinary policy issued by the company when in fact the policy was but the ordinary policy and was not one containing special terms or conditions.

Very truly yours,

L. A. FOOT,

Attorney General.