

No. 280

**SCHOOLS AND SCHOOL DISTRICTS—TRANSPORTATION—LIABILITY INSURANCE—RECIPROCAL OR INTER-INSURANCE EXCHANGE COMPANIES**

**Held:** A school district purchasing liability insurance on a bus may contract with any company authorized to do business in Montana, including reciprocal or inter-insurance exchange companies.

October 23, 1941.

Mr. William F. Shallenberger  
County Attorney  
Sanders County  
Thompson Falls, Montana

Dear Mr. Shallenberger:

You have asked the opinion of this office whether or not a school district purchasing liability insurance on a privately owned school bus may carry such liability insurance with a reciprocal or inter-insurance exchange company.

In 1939 the Attorney General's office held such a reciprocal company is entitled to apply for admission to do business in this state and, if the insurance department finds it is qualified as to solvency and responsibility, then it is entitled to be licensed to carry on an insurance business in the state. (Vol. 18, Official Opinions of the Attorney General, No. 72.) You have been informed by the Commissioner of Insurance the company with which the school board contemplates doing business is licensed to do business in Montana. This means it has qualified as to solvency and responsibility.

It is my opinion a school district purchasing liability insurance on a bus may contract with any company authorized to do business in Montana, including reciprocal or inter-insurance exchange companies.

Sincerely yours,

JOHN W. BONNER  
Attorney General