



**THE ATTORNEY GENERAL
OF TEXAS**

GERALD C. MANN

AUSTIN 11, TEXAS

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ATTORNEY GENERAL

Honorable Ralph Brock
County Attorney
Lubbock County
Lubbock, Texas

Dear Sir:

Opinion No 0-4879

Re: Under the facts submitted is the State Farm Fire Insurance Company of Bloomington, Illinois, eligible to write insurance upon the properties of the Lubbock Independent School District?

Your letter of recent date requesting the opinion of this department on the above stated question reads in part as follows:

"I have been requested by Claude L. Hale, County School Superintendent of Lubbock County, Texas, to secure from your office an opinion as to whether or not the State Farm Fire Insurance Company of Bloomington, Illinois, is eligible to write insurance upon the properties of the Lubbock Independent School District.

"Under Article 4860A-8 of Vernon's Annotated Civil Statutes, it provides that a mutual company may write insurance upon such corporations as the Lubbock Independent School District, however, in the recent case of Lewis vs. Independent School District of the city of Austin, et al, 161 S.W. 2nd, 450, the Supreme Court held that this Article was unconstitutional by reason of Section 52 of Article 3 of the Constitution of the State of Texas.

"It is my understanding that the State Farm Fire Insurance Company of Bloomington, Illinois, is not a mutual but a stock company and operates in Texas as an old line legal reserve stock company. The State Farm Fire Insurance Company of Bloomington, Illinois, is not to be confused with the State Farm Mutual Automobile Insurance Company and is an entirely separate company.

"I give you the above facts which is all the information I have regarding the State Farm Fire Insurance Company. It is my opinion that if the above State Farm Fire Insurance Company of Bloomington, Illinois, is not a mutual but an old line legal reserve stock company, it is eligible to write insurance on the properties of the Lubbock Independent School District, however, I have been requested to secure an opinion regarding same.

". . . ."

A representative of the State Insurance Department informs us that the State Farm Fire Insurance Company of Bloomington, Illinois, is an old line legal reserve stock company having a permit to do business in this State. As this company is not a mutual company the opinion of the Supreme Court in the case of Lewis vs. Independent School District of the City of Austin et al, 161 S.W. (2nd) 450, does not prohibit the company in question from writing insurance on the properties of the Lubbock Independent School District.

After a careful search of the statutes and constitutional provisions of this State we fail to find any statutory or constitutional provision prohibiting companies of the kind and class of the State Farm Fire Insurance Company of Bloomington, Illinois, from writing insurance on the kind of properties inquired about. As the above mentioned insurance company is a stock company and operates as an old line legal reserve stock company it is the opinion of this department that said company is eligible to write insurance on the properties of the Lubbock Independent School District.

Trusting that the foregoing fully answers your inquiry, we are

Yours very truly

ATTORNEY GENERAL OF TEXAS

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APPROVED OCT 5, 1942
s/Gerald C. Mann
ATTORNEY GENERAL OF TEXAS

By s/Ardell Williams
Ardell Williams
Assistant

Approved Opinion Committee By s/ BWB Chairman