



**THE ATTORNEY GENERAL
OF TEXAS**

AUSTIN 11, TEXAS

**JOHN BEN SHEPPERD
ATTORNEY GENERAL**

March 13, 1956

Hon. J. Byron Saunders, Chairman
Board of Insurance Commissioners
International Life Building
Austin, Texas

Opinion No. S-191

Re: Can county mutual insurance
companies write accidental
death policies.

Dear Mr. Saunders:

You have asked for the opinion of this office as to whether or not county mutual insurance companies can write accidental death policies.

Articles 17.01 and 17.25 of the Texas Insurance Code limit county mutual insurance companies as to the types of properties which may be insured, and as to the types of protection offered the policyholder.

Article 17.01 specifically limits the subject matter of insurance, and reads in part as follows:

"Unless they are restricted by their charters, they may write insurance against said hazards:

"(a) On both rural and urban dwellings and attendant outhouses and yard buildings and all their contents for home and personal use -- including family vehicles, musical instruments and libraries;

"(b) On barns and other farm, dairy, truck garden, hennery and ranch buildings and improvements of every description;

"(c) On all vehicles, harness, implements, tools and machinery of every kind and description used on and about farms, truck gardens, dairies, henneries or ranches;

"(d) On all fruits and products, other than growing crops, and all fowls, domestic animals and livestock of every description, produced, raised, grown, kept or used on truck gardens, henneries, farms, ranches and dairies; and

"(e) On church houses, county school houses, country lodge rooms and country recreation halls, other than road houses and public dance halls and their contents."

Section 1 of Article 17.25 specifically refers back to Article 17.01, and reads as follows:

"Section 1. Regulation. County Mutual insurance companies operating under the provisions of this Chapter shall be authorized to write insurance against loss or damage from any hazard provided therein or that any other fire or windstorm insurance company operating in Texas may write on property described in Article 17.01 of this Chapter. County mutual insurance companies qualifying to write casualty lines for statewide operation may write all lines of automobile insurance," provided that no such company shall assume a risk on any one hazard greater than five (5%) per cent of its assets, unless such excess shall be promptly reinsured."

The underlined phrase, supra, added by Senate Bill 15 of the 54th Legislature, does not embrace accident insurance, nor does it authorize a county mutual to engage in the casualty field generally, but rather, casualty lines with limitations. (See Attorney General's Opinion No. S-168 to the effect that county mutual insurance companies may write liability insurance on automobiles.)

Section 1 of Article 17.25 was amended by Senate Bill 15 of the 54th Legislature, and the caption reads in part as follows:

". . . by amending Section 1 of Article 17.25 of the Code so as to provide that in addition to lines heretofore authorized, county mutual insurance companies by qualifying may write all lines of automobile insurance with limitations. . . ."

* Emphasis added.

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Because of the specific limitations of Articles 17.01 and 17.25, it is clear that the Legislature did not intend to authorize such policies, and it is the opinion of this office that county mutual insurance companies cannot write accidental death policies on the lives of their insureds.

SUMMARY

County mutual insurance companies cannot write accidental death policies on the lives of their insureds.

APPROVED:

J. Fred Jones
State Affairs Division

W. V. Geppert
Reviewer

J. A. Amis, Jr.
Reviewer


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Yours very truly,

JOHN BEN SHEPPERD
Attorney General

By 
Robert O. Fagg
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