



**THE ATTORNEY GENERAL
OF TEXAS**

AUSTIN 11, TEXAS

**WILL WILSON
ATTORNEY GENERAL**

June 6, 1962

Hon. William A. Harrison
Commissioner of Insurance
International Life Building
Austin, Texas

Opinion No. WW-1341

Re: Whether an application for Mineola-
Wood County Local Mutual Aid
Association was pending before the
Commissioner of Insurance or the
State Board of Insurance at the
effective date of Article 22.21.

Dear Commissioner Harrison:

In a recent letter you requested an opinion of this office whether an application for a temporary or other certificate of authority was pending before the Commissioner of Insurance or the State Board of Insurance on August 28, 1961, the effective date of Article 22.21 of the Texas Insurance Code.

Article 22.21, prohibits the organization of a local mutual aid association or local mutual burial association pursuant to Article 12.05 of the Texas Insurance Code subsequent to August 28, 1961. However, the prohibition would not be applicable to the company or association for which an application to the Commissioner of Insurance or the State Board of Insurance for a temporary or other certificate of authority was pending as of August 28, 1961.

Article 22.21 reads as follows:

"From and after the effective date of this Act, no local mutual aid association or local mutual burial association may be organized under and pursuant to the provisions of Art. 12.05 of the Insurance Code of Texas. The provisions of this Art. 22.21 shall not, however, be applicable to:
(1) any company or association which holds a temporary or other certificate of authority at the effective date of this Act; or (2) any company or association for which an application to the Commissioner of Insurance or the State Board

of Insurance for a temporary or other certificate of authority is pending at the effective date of this Act. Added Acts 1961, 57th Leg., p. 345, ch. 180, §1."

The pertinent facts involved are these. On August 11, 1961, Mr. J. W. Falvey, Jr., Attorney at Law, of Longview, Texas, requested the reservation of three names for local mutual aid societies: Wood County Local Mutual Aid Association; Mineola Local Mutual Aid Association; and Mineola-Wood County Local Mutual Aid Association. On August 23, 1961, the Commissioner of Insurance informed Mr. Falvey that the three names had been reserved for the organization of a new local mutual aid association. The necessary papers for the application and organization of the local mutual aid association were enclosed in the letter of August 23, 1961.

By statute and by administrative rulings the following materials comprise an application for a local mutual aid association: (See Articles 12.05 and 12.14 of the Insurance Code).

1. Application for Permit (Form No. 1)
2. Letter setting forth facts showing territory which can support the proposed association.
3. Articles of Association in triplicate.
4. Constitution and By-Laws in triplicate.
5. Policy forms in duplicate.
6. Application for policy in duplicate.
7. Rate Sheet in duplicate.
8. Application for Reinstatement in Duplicate.
9. Organizers' bond.
10. Fees in the sum of \$21.00.

None of the above items were received by the State Board of Insurance or the Insurance Commissioner from the organizers of the local mutual aid association prior to or on August 28, 1961.

It is clear that an application was not pending on August 28, 1961, when none of the documents comprising an application were on file with the State Board of Insurance on or before August 28, 1961. The applicable statutes and administrative rulings do not provide that the reservation of a name for a local mutual aid association is a part of the

Hon. William A. Harrison, page 3 (WW-1341)

application for such an association.

SUMMARY

An application for Mineola-Wood County Local Mutual Aid Association was not pending before the Commissioner of Insurance or the State Board of Insurance at the effective date of Art. 22.21.

Very truly yours,

WILL WILSON
Attorney General of Texas

By



Bob E. Shannon
Assistant

BES:lmc

APPROVED:

OPINION COMMITTEE:

W. V. Geppert, Chairman
Howard Mays
Iola Wilcox
John Reeves
Marvin Thomas

REVIEWED FOR THE ATTORNEY GENERAL

BY: Leonard Passmore