

February 10, 1938

Arizona Corporation Commission,
Capitol Annex,
Phoenix, Arizona.

Attention B. Stephenson, Secretary

Gentlemen:

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ARIZONA ATTORNEY GENERAL**

Answering your request of January 29, 1938 for an opinion in regard to Chapter 36, Session Laws 1937, we have before us the inclosed copy of an assumption rider which was presented to your department by the United Mutual Insurance Company of Phoenix for approval, so that it might be attached to its outstanding certificates to make the certificates comply with the provisions of the new law.

Our attention is directed by you to paragraph 6 of said assumption rider, and you ask the following question:

"Has a benefit corporation the right to insert any provision that is inimical to the interests of the insured and is not required to be inserted in order to make the new policy conform to the new law such as paragraph No. 6?"

We are of the opinion that paragraph No. 6 of the assumption rider of the United Mutual Insurance Company violates the provision of Chapter 36, Session Laws of 1937, and therefore should not be approved by the Corporation Commission.

We are also of the opinion that when any new certificate or assumption rider is to be adopted by a benefit corporation organized under the laws of Chapter 36 Session Laws 1937, the benefit corporation must first hold a meeting of all its members and present any such suggested change, amendment or modification to the membership for their approval or rejection and proof of the membership's action on the suggested amendment or modification of the certificate must be presented to the Corporation Commission before asking the Commission's approval.

Very truly yours,

JOE CONWAY
Attorney General

CHARLES BERNSTEIN
Assistant Attorney General

✓ EARL ANDERSON
Special Assistant
Attorney General