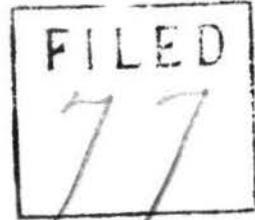


INSURANCE: Life insurance companies may provide a funeral benefit, ~~benefit~~ natural death indemnity in health and accident policy.

May 13, 1938

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Mr. Virgil Rule
Assistant Actuary
Insurance Department
Jefferson City, Missouri

Dear Mr. Rule:

We wish to acknowledge your request for an opinion under date of May 2, 1938, together with enclosures, as follows:

"Can the Washington National Insurance Company, a regular life company, provide in their accident and health policies for Funeral Benefit and Natural Death Indemnity? See policy forms MP 2A--1 and WP 4--8."

I.

Chapter 57, Article 2, Section 5690 R. S. Missouri 1929, relating to life and accident insurance, provides as follows:

"Any number of persons, not less than thirteen, may associate and form a company for the purpose of making insurance upon the lives of individuals, and every assurance pertaining thereto or connected therewith, and to grant, purchase and dispose of annuities and endowments of every kind and description whatsoever, and to provide an indemnity against death, and for weekly or other periodic indemnity for disability occasioned by accident or sickness to the person of the insured; but such accident and health insurance shall be made a separate department of the business of the life insurance company undertaking it."

Under the above provision a life insurance company may write health and accident insurance but it must be done as a separate part of the business of the company.

Policy form MP 2A--1 of the Washington National Insurance Company states that:

"THIS POLICY PROVIDES INDEMNITY FOR LOSS OF LIFE OR TIME BY EITHER ACCIDENT OR SICKNESS AND FOR LOSS OF LIMB OR SIGHT BY ACCIDENTAL MEANS, AS HEREIN LIMITED AND PROVIDED."

No provision is made in the above policy for benefits for death resulting from natural causes.

The policy contains a funeral benefit and your question is whether same can be provided for in health and accident policies.

32 C.J. Section 175, page 1091, in discussing contracts of insurance, declares that:

"Being a voluntary contract, the parties may make it on such terms, and incorporate such provisions and conditions, as they see fit to adopt, and the contract as made measures their rights, provided of course the agreement does not violate any principle of the common law or any provision of a constitution or statute."

We have been unable to find any provision in our laws which would prohibit the inclusion of a funeral benefit in a health and accident policy if issued by a life insurance policy.

The only provision we have found relating to funeral benefits is that provided for by funeral associations under Article X of Chapter 32, R. S. Missouri 1929. However, it is

specifically provided by Section 5019 R. S. Missouri 1929, that:

"This article shall not be so construed so as to apply to life insurance companies, associations, or societies authorized to do business under the provisions of chapter 37, R. S. 1929, * * *"

From the foregoing we are of the opinion that the Washington National Insurance Company, a regular life insurance company, may provide a funeral benefit in their health and accident policies.

II.

Policy form WP 4--8 of the Washington National Insurance Company states that:

"This policy provides indemnity for loss of life, limb, sight or time by accidental means and death from natural causes, all to the extent herein limited and provided."

This policy also contains a funeral benefit. Your second question may be stated as whether a benefit may be provided for in health and accident policies for death resulting from natural causes.

Assuming that the benefit in the policy for death from natural causes is carried by the company as a separate part of its business, we are of the opinion that the Washington National Insurance Company, a regular insurance company, may provide a natural death indemnity in its health and accident policy.

Respectfully submitted,

APPROVED:

MAX WASSERMAN,
Assistant Attorney General

J. E. TAYLOR
(Acting) Attorney General

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