

INSURANCE: Articles of Incorporation of Universal Underwriters  
Life Insurance Company.

Substitute for  
Opinion No. 371

December 3, 1964



Honorable Ralph H. Duggins  
Superintendent  
Division of Insurance  
Jefferson Building  
Jefferson City, Missouri

Dear Mr. Duggins:

By letter dated October 5, 1964, you requested an opinion from this office as to whether documents submitted by Universal Underwriters Life Insurance Company are in accordance with Chapter 376 of the Statutes and are not inconsistent with the constitution and laws of this State and the United States. These documents consisted of an executed copy of the Declaration of Intention of the original incorporators of Universal Underwriters Life Insurance Company, a copy of the Articles of Incorporation of such corporation to be formed under the provisions of Chapter 376, RSMo 1959, and the Publisher's Affidavit as to publication of said Articles as required by Sections 376.050 and 376.070, RSMo 1959.

An examination of the documents referred to in the preceding paragraph has been made as required by Section 376.070, RSMo 1959. In this regard, your attention is directed to Article III of the Articles of Incorporation wherein the purposes of the corporation and its powers are recited. After stating the various purposes and powers, Article III concludes as follows:

"Without limiting the generality of the foregoing purposes and powers, to do every other thing or act necessary or expedient in carrying on the business of the corporation and to carry out the foregoing powers which may be permitted by law."

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The recitation of the corporate purposes is broader than that allowed by law for an insurance company formed under Chapter 376. However, the addition of the limitation provision referred to above conforms the stated purposes to the statutory limitations. Therefore, it is the opinion of this office that the documents submitted are found to be in accordance with the provisions of Chapter 376, RSMo 1959, and not inconsistent with the constitution and laws of this State and the United States.

Although this opinion finds that the Articles of Incorporation are in accordance with the provisions of law, it is suggested that the following provisions of Article III be amended to clarify the stated purposes as indicated.

1. "To write 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;"

Section 376.010, RSMo 1959, provides that accident and health insurance shall be made a separate department of the business of life insurance, and the cited provision should be amended to include this condition.

2. "To enter into and perform life and disability insurance contracts of all kinds, participating and non-participating, individual and group, to reinsure its risks in whole or in part and to accept reinsurance of all or any part of any risk;"

Reinsurance authority by companies formed under Chapter 376 is limited, particularly by Section 376.520, RSMo 1959, and the cited provision should indicate such limitation.

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3. "To purchase stock and securities of other corporations, and to exercise all the rights, powers and privileges of ownership thereof, and to exercise all voting powers thereof;"

The right of companies to purchase stock and securities of other corporations is limited by the Statutes, particularly Sections 375.300 and 376.305, RSMo 1959, and the cited provisions should indicate such limitations.

4. "To buy, lease and otherwise acquire real estate, personalty, appliances and equipment, and to operate or use the same on a commission, lease, or other basis and to sell, encumber and otherwise deal in and dispose thereof, to construct, improve, rebuild, alter, decorate, maintain, manage, control, lease, encumber, or otherwise acquire, hold and dispose of and deal in any and all kinds of improvements upon land belonging to this company;"

The rights of a company formed under Chapter 376 to buy and sell real estate is limited by the Statutes, particularly Sections 375.320, 375.330 and 375.340, RSMo 1959, and the cited provisions should indicate such limitations.

A statement of such corporate purposes and powers in general terms, unconditionally and without reference to statutory limitations, can be misleading to the incorporators and to future shareholders of the company. However, the deficiencies noted are not fatal to the legal form of the Articles of Incorporation, and amendments clarifying these deficiencies will not require republication of the Declaration of Intention.

The foregoing opinion, which I hereby approve, was prepared by my Assistant, Thomas J. Downey, and is substituted for the opinion issued in regard to this subject matter on November 24, 1964.

Yours very truly,

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THOMAS F. EAGLETON  
Attorney General

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