

IN ANCE: certain insurance companies incorporated under
AMENDING ARTICLES: the provisions of Art. 6, Chap. 37, R.S. 1939,
OF ASSOCIATION: may amend articles of incorporation as follows:
"the corporation is specifically authorized to
execute and guarantee any and all bonds and
undertakings in judicial proceedings."

November 21, 1949

Honorable Thomas J. Guilfoil
Chief Counsel
Division of Insurance
Dept. of Business & Administration
Jefferson City, Missouri



Dear Mr. Guilfoil:

We have your recent letter requesting an opinion from this office. Your letter is substantially as follows:

"The sense of the amendment is to incorporate into Articles of Incorporation the following language: 'and further provided that this corporation is specifically authorized to execute and guarantee any and all bonds and undertakings in judicial proceedings.' Your opinion is requested as to whether this amendment and the proceedings in connection therewith comply with the laws of the State of Missouri, and is not inconsistent with the Constitution of the State of Missouri and the Constitution of the United States.

"Your particular attention is directed to the question of the propriety of the extremely broad language used in the amendment. A question has been raised in this Division as to the meaning of an 'undertaking' in judicial proceedings. The company is incorporated under the provisions of Article 6, Chapter 37, R. S. Missouri, 1939."

Your letter requests the opinion of this department as to whether the proposed amendment and the proceedings in connection therewith comply with the law.

Article 6, Chapter 37, Section 5904, R. S. Mo. 1939, provides that insurance companies organized under said section

having a minimum of \$400,000.00 stock or capital assets may make insurance on all three classes of insurance therein provided, including insuring the fidelity of persons holding places of public or private trust.

Section 5906, R. S. Mo. 1939, provides that companies authorized to insure the fidelity of persons and having a minimum of \$200,000.00 paid up capital may become and be accepted as surety "on the bond, recognizance or other writing * * * in or concerning any matter in which the giving of a bond or other obligation is authorized, required or permitted by the laws of the state."

The insurance company in question (Kansas City Fire and Marine), as you have informed us, meets the capital requirements of both sections.

We have examined the certified copies of the record minutes of the meetings of both the stockholders and the directors of said company, and find them to be regular and consistent with the law. It is also our opinion that the proposed amendment is authorized by Section 5904 and Section 5906, supra, and that the proposed amendment complies with the laws of the State of Missouri and is not inconsistent with the Constitution of Missouri or the Constitution of the United States.

CONCLUSION

It is the opinion of this office that an insurance company organized under Article 6, Chapter 37, R. S. Mo. 1939, which complies with the minimum capital and other requirements of Sections 5904 and 5906 of said chapter, may amend its charter by providing that "the corporation is specifically authorized to execute and guarantee any and all bonds and undertakings in judicial proceedings."

Respectfully submitted,

APPROVED:

H. JACKSON DANIEL
Assistant Attorney General

J. E. TAYLOR
Attorney General 

HJD:ml