

1905

GROUP LIFE INSURANCE LAW—OHIO—LIFE INSURANCE COMPANY AUTHORIZED TO DO BUSINESS IN OHIO—MAY ASSENT TO ASSIGNMENT OF GROUP LIFE INSURANCE POLICY—GROUP IN OHIO—ASSIGNEE POLICYHOLDER AUTHORIZED TO ACT FOR GROUP—SUCH ASSIGNMENT MUST NOT BE IN CONFLICT WITH ANY PROVISION IN POLICY CONTRACT—IF ASSIGNEE POLICYHOLDER NOT AUTHORIZED TO SERVE IN SUCH CAPACITY—COMPANY MAY NOT ASSENT TO ASSIGNMENT.

## SYLLABUS:

Under the Ohio group life insurance law a life insurance company authorized to do business in Ohio may assent to the assignment of a group life insurance policy covering a group in this state provided that the assignee policyholder is authorized to act as such for the group covered and provided further that such assignment is not in conflict with any provision in the policy contract. If the assignee policyholder is not authorized to serve in such capacity, the company may not assent to the assignment.

Columbus, Ohio, June 19, 1950

Hon. Walter A. Robinson, Superintendent of Insurance  
Columbus, Ohio

Dear Sir:

Your request for my opinion reads as follows:

“Section 9426-2 of the General Code of Ohio provides in part ‘Except as provided in this act, it shall be unlawful to make a contract of life insurance covering a group in this state.’ In view of that language, may a life insurance company, authorized to do business in this state, assent to the assignment of a group life insurance policy originally issued to one of the policyholders enumerated in Section 9426-1 of the General Code?”

“If your answer to that question is in the affirmative, may the life insurance company assent only when the assignee meets the description of a policyholder as enumerated in Section 9426-1, even though enumerated in different paragraphs of said section?”

“We will appreciate receiving your usual courteous attention to these questions.”

The questions you present arise from the fact that Section 9426-1,

General Code, defining what shall constitute group life insurance in Ohio, designates who shall be the policyholder for each group described therein. For instance, the definition of group life insurance found in the first paragraph of Section 9426-1, General Code, requires that the "employer" be the policyholder on each group policy issued in accordance therewith. Therefore, since it is provided in Section 9426-2, General Code, that all group life insurance contracts covering groups in this state must comply with the Ohio group life insurance law (Section 9426-1, et seq., General Code), your questions may be restated as follows:

1. May a group life insurance contract be assigned to a person who is authorized to act as the policyholder for the group covered by the policy?
2. May a group life insurance contract be assigned to a person who is *not* authorized to act as the policyholder for the group covered by the policy?

The situation you present is not analogous to the usual question of assignment of a life insurance policy. In the ordinary situation, it is the insured who is assigning the policy, while here it is the nominal policyholder. It is interesting to note, however, that although under a strict common law doctrine there was some question concerning the assignability of a life insurance policy, the weight of authority now sanctions the assignment of such policies, applying the principles controlling choses in action. See Couch on Insurance, Vol. 6, Section 1458. None of the reasons for the strict common law rule against the assignment of life insurance policies appear to apply to the assignment or transfer of a group life insurance contract from one policyholder to another. I am inclined to the view that such assignment would be valid provided it does not conflict with any provision or requirement of state law or of the policy contract concerned. Applying this conclusion to the situation under the Ohio group law, I would say that the assignment would be proper provided that the assignee policyholder is authorized to act as such under our law; while, on the other hand, if the assignee is not a proper person to represent the group the assignment could not be made. To rule otherwise on the latter question would permit to be done indirectly what cannot be done directly in violation of a well established rule of law.

In view of the preceding and in direct answer to your questions I am of the opinion that under the Ohio group life insurance law a life in-

surance company authorized to do business in Ohio may assent to the assignment of a group life insurance policy covering a group in this state provided that the assignee policyholder is authorized to act as such for the group covered and provided further that such assignment is not in conflict with any provision in the policy contract. If the assignee policyholder is not authorized to serve in such capacity, the company may not assent to the assignment.

Respectfully,

HERBERT S. DUFFY,  
Attorney General.