

**OPINION  
51-92**

January 9, 1951        (OPINION)

INSURANCE

RE: Supervisory Powers of Commissioner

This is in answer to your letter dated January sixth requesting an opinion on what supervisory powers the Commissioner of Insurance has in respect to disbursements made in the operation of a mutual insurance company, incorporated and licensed under the laws of this State. Section 26-2102 of the 1943 Revised Code provides that:

The commissioner of insurance, or the attorney general representing him, may apply to the district court in and for Burleigh county for an order to show cause why the commissioner should not take possession of any insurance company described in such order and conduct its business, or for such other relief as the nature of the case and the interests of the public and of the policyholders, creditors, or stockholders of the company require, whenever it:

\* \* \*

5. Is found, after an examination, to be in such condition that further transaction of business by it will be hazardous to its policyholders or creditors, or to the public;"

It is the opinion of this office that the commissioner of insurance has supervisory powers over domestic mutual insurance companies to the extent that when the operations and transactions of the company are not conducted in a reasonable manner and the activities of the company make further transaction of business by the company hazardous to its policyholders, to the creditors or the public, then the commissioner may order that the condition be corrected or may proceed to bring the company into district court under the management of the commissioner of insurance.

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