

# MAINE STATE LEGISLATURE

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715  
November 4, 1952

To: The Honorable Leon Williams

Council Chamber  
State House, Augusta, Maine

Re: National Grange Mutual Liability Company

This office has been asked to determine whether or not the National Grange Mutual Liability Company has the right to sell insurance to non-Grange members.

We have examined at length the original articles of incorporation of the National Grange Mutual Liability Company and its numerous amendments, and in no instance do we find any provision which would limit in any way the persons to whom that company may sell insurance. Neither do the articles of incorporation or the amendment reveal any relationship between the company and the National Grange.

An insurance company under the freedom of contract may limit the type and number of risks as it may please. There is no doubt that the above mentioned company may of its own volition limit sales to Grange members. With the provisions of its charter, however, it may sell either to Grange members or to non-members.

The case of the United States v. Southeastern Underwriters Association, mentioned in a copy of the Resolution given this office, holds that the insurance business is interstate commerce under the facts of the case and that acts of coercion, duress and boycott compelling individuals to purchase insurance from that company or its members constituted restraint of trade and were in conflict with the Sherman Anti-Trust Act. It would seem to have no direct relationship with the Resolution presented by the Grange.

It would appear from the preceding that no act on the part of the Grangers could result in the company's having to limit its insurance to Grange members.

James Glynn Frost  
Deputy Attorney General

jgf/c