from the federal board for vocational education, dated October 17, 1932, granting permission to pay the salaries from the federal funds, it is my opinion that such action would be entirely legal.

INSURANCE COMMISSIONER: Whether a domestic fraternal insurance association may legally merge with a stock or life insurance company or acquire business of a stock life company.

January 5, 1933.

Hon. John C. Kidd,
Commissioner of Insurance,
Indianapolis, Indiana.

Dear Sir:

I have before me your request for an opinion as to whether a domestic fraternal insurance association may legally merge or consolidate with a stock life insurance company or may acquire the business of a stock life company under the laws of Indiana.

The principle is well established that corporations, being creatures of the legislature, possess only such powers as are expressly or by necessary implication given by their charters or the general laws of the state of their creation. As said by the court in the case of Knapp v. Supreme Commandery, etc. (Tenn.), 118 S. W. 390, at page 395:

"Corporations are creatures of the legislative department of the government, and exist solely and alone by virtue of the act of incorporation. They can exercise no powers which are not expressly granted them, or are necessarily implied from the express powers given. Authority for all their acts must be found in their charters, or the general laws of the state of their creation. Where the charter or law is silent as to the power sought to be exercised, it does not exist; and wherever a grant of corporate power is claimed by a corporation it must clearly appear and will not be inferred or presumed. All statutes under which a power is asserted must be favorably construed to the state from which the power emanated, and against the grant of it. These are well-established principles of the common law, and have been frequently applied by the court."
The above case was a case involving the attempted merging of two fraternal beneficiary associations.

See also the case of Whaley v. Bankers' Union of the World, (Tex.), 88 S. W. 259, another case of the attempted merger of two fraternal beneficiary associations. Many other cases can be cited holding as above with reference to corporations generally.

Unless, therefore, the right of domestic fraternal beneficiary associations to merge or consolidate is either expressly or by necessary implication granted by the statutes of the state or by their charters, I think it must be held that no such right exists.

An examination of the statutes authorizing such associations and regulating their operation reveals that no express authority exists for the consolidation of domestic fraternal insurance associations with stock life companies, nor is there anything in such statutes from which such authority may be implied. Provision is expressly made for the merger of like associations or societies and the transfer of membership and funds of one such society to another similar society. Burns Annotated Indiana Statutes of 1926, sections 9242 and 9262. This express grant of authority as between similar societies, and expressly limited to similar societies, I think, is persuasive of the fact that there was no intention to authorize the merger of such an association with the ordinary life company, and I so hold.

ACCOUNTS, BOARD OF: Whether the salaries of the officials fixed by chapter 67 of acts of general assembly 1932, special session, will be affected by the provisions of chapter 70.

January 7, 1933.

Hon. Lawrence F. Orr,
State Examiner,
Indianapolis, Indiana.

Dear Sir:
I have before me your letter as follows:

"On August 26th the auditor of Vanderburgh County directed a letter to this department, seeking an interpretation of chapter 67 and chapter 70. A definite