secondary school for grades 13 and 14, and accordingly amend its plan, subject to the approval of the federal agency. In such event said classes in Vincennes University would, in my opinion, be eligible for participation under the federal statute and the amended state plan.

Numerous enabling statutes and an Official Opinion of this office are set out and referred to in Appendix H, pages 80 to 86 of your printed pamphlet, “The Indiana State Plan for the Strengthening of Instruction in Science, Mathematics and Modern Foreign Language under Sections 301-304 of Title III, P. L. 85-864,” and furnish adequate authority for such commission’s action.

OFFICIAL OPINION NO. 33

August 17, 1960

Mr. James K. Ashley, Commissioner
Department of Insurance
State of Indiana
309 W. Washington Street
Indianapolis 4, Indiana

Dear Mr. Ashley:

This is in reply to the letter received from your predecessor in office, requesting an Official Opinion on the following point:

“Can an officer of a life insurance company be licensed as an agent for that life insurance company?”

Determination of the question presented requires a study and construction of the various definitions of the term “agent” as used in the Indiana Insurance Law, which is Acts of 1935, Ch. 162, as amended, as found in Burns’ (1952 Repl., 1960 Supp.), Section 39-3201 et seq. The term “agent” is specifically defined in Part I, Article I, and in Part IV, Articles I and II of that Act. The definition found in Article I of Part IV, which is Burns’ 39-4501, supra, refers only to insurance agents other than life insurance agents and is therefore not considered here since it is beyond the scope of the question presented.

The word “agent” is first defined as follows in Section 3 of the Indiana Insurance Law, which is Burns’ 39-3203, supra:
1960 O. A. G.

"As used in this act, and unless a different meaning appears from the context:

* * *

"(i) The term 'agent' means any person, firm or corporation, not being an officer or salaried home or department office employee of a company or a duly licensed insurance broker, who solicits business in behalf of any company, corporation or association or transmits for a person other than himself an application for a policy of insurance of any kind to or from such company, corporation or association; to act in the negotiation of any such policy or in the negotiation of its continuance or renewal; to write and countersign policies and collect premiums therefor.

"A general, district, branch office, state or special agent is a person, firm or corporation acting under authority of any insurance company to supervise and appoint agents, to inspect risks and otherwise transact business for and as representative of such company."

Article II of Part IV of the Act is headed "Life Insurance Agents," and Section 217 of the Act which is within that Article, being Burns' 39-4601, supra, provides:

"(a) The word 'agent' as used in this article, shall mean any natural person authorized by law, and by an insurance company in writing, to solicit applications for life insurance, and to otherwise represent it in such manner as he may be authorized by the company in writing." (Our emphasis)

The rule is well established that the Legislature may define, in a statute, words or phrases used therein and may declare in the body of an act the construction to be placed thereon. It is also stated in 82 C. J. S. Statutes § 315, at page 539, that:

"No objection can be made because the statutory definitions differ from definitions of the same terms in other statutes, or in other parts of the same statute. * * *" (Our emphasis)

In an Official Opinion issued by a former Attorney General, found at 1940 O. A. G., page 191, it was determined that the
Indiana Insurance Law did not contemplate and did not authorize a "life insurance broker." In reaching this conclusion, it was necessary to consider the identical sections of the statute with which we are here concerned. The Opinion, in effect, answers your question, and since the sections of the Act involved have not been amended since their original enactment, I would quote at length from the 1940 Opinion:

"The question presented, whether the Department of Insurance is authorized to issue a license to a corporation to act as a life insurance broker, largely involves an interpretation of the various definitions as found in the Indiana Insurance Law of 'agent,' 'broker' and 'solicitor.'

"Definitions of these three terms are found in Section 3 of the Indiana Insurance Law of 1935, subdivisions (i), (j) and (k), respectively (being Section 39-3203, Burns' Statutes, 1933, 1940 Replacement).

"The introductory sentence, namely, 'As used in this act, and unless a different meaning appears from the context:,' of Section 3, is followed by the various subdivision definitions of the section.

"It is obvious that the definitions of Section 3 are to stand unmodified unless in some respect altered by the context of the law.

"It is to be noted that a distinct modification of meaning and application of the term 'agent' is provided in Section 217 of the act (Section 39-4601, Burns' Statutes, 1940 Replacement) as pertaining to life insurance agents. This difference of meaning amounts to an exception to the general definition of 'agent' as stated in the earlier Section 3. Incidentally, it is to be noted that this section provides that a life insurance agent must be a natural person, not a corporation.

"In view of this definite exception, as well as when examining the act as a whole, it would seem clear that the definitions of the three terms, agent, broker and solicitor in Section 3 have reference to all kinds of insurance except life insurance."
"* * * and it is a logical conclusion to be drawn, when reading carefully the entire Section 3 (k), that neither an 'agent' nor a 'broker', as defined in Section 3 was to have any concern with life insurance. * * *"

(Our emphasis)

As stated in the quoted material above, the definition of the term "agent" in Burns' 39-4601, supra, amounts to an exception to the general definition of "agent" as set out earlier in Burns' 39-3203 (i), supra. Courts have held that when words such as "when used in this article" or "for the purposes of this title" are used in definition sections, such words show a legislative intent to create special definitions of limited application which are not to be enlarged or restricted by other definitions of the same terms contained in other statutes or in other parts of the same statute.


Thus, according to the language of the statute, the word "agent," when used in Article II of Part IV of the Indiana Insurance Law, is to have the meaning given it by Burns' 39-4601, supra, and this section in no way refers to officers of companies. As it is stated in Indiana Law Encyclopedia, Vol. 16, Insurance, § 51, p. 193:

"Under the article of the Indiana Insurance Law regulating life insurance agents, a life insurance agent is any natural person authorized by law, and by an insurance company in writing, to solicit applications for life insurance, and to otherwise represent it in such manner as he may be authorized by the company in writing. No corporation may, within this State, act as an agent for a life insurance company."

It is my understanding, from discussing this matter with persons in the Insurance Department, that your Department does, as a matter of fact, license officers of life insurance com-
panies as agents for such companies. This administrative
interpretation placed by the Department upon the statute
which it enforces and under which it operates is entitled to
great weight in the construction of this act.

"The practice and interpretive regulations by officers,
administrative agencies, departmental heads and others
officially charged with the duty of administering and
enforcing a statute will carry great weight in deter-
mining the operation of a statute. * * *"

Sutherland, Statutory Construction, 3rd Ed., Vol. 2,
Sec. 5105, p. 516.

In view of the foregoing, after a careful examination of the
various statutory provisions, and after taking into considera-
tion the practices and customs followed by the Department of
Insurance, it is my opinion that there is no statutory prohi-
bition against licensing an officer of a life insurance company
as an agent for that life insurance company.

OFFICIAL OPINION NO. 34

August 18, 1960

Mr. Harold F. Brigham, Director
Indiana State Library
140 North Senate Avenue
Indianapolis 4, Indiana

Dear Mr. Brigham:

This is in reply to your letter requesting an Official Opinion
on the following questions:

"1. Under the provisions of the Library Law of 1947,
as amended, Sections 13 and 15f (Burns 41-913;
41-915(f)), may two or more libraries enter into
contract for the purpose of cooperative purchas-
ing? Such purchasing would relate to:

(a) materials, such as books and periodicals;
(b) supplies, such as protective book jackets, cat-
alog and book cards, and other similar items;