



GERALD C. MANN  
ATTORNEY GENERAL

OFFICE OF THE ATTORNEY GENERAL OF TEXAS  
AUSTIN

Honorable Walter C. Woodward, Chairman  
Board of Insurance Commissioners  
Austin, Texas

Dear Sir:

Opinion No. 0-2840

Re: Proposed trip of Mr. D. B. Barrow  
to attend a hearing of the Missouri  
Insurance Commission relating to the  
Praetorians.

We have given careful consideration to your letter of October 21st, wherein you set out additional facts relating to the proposed trip of Mr. D. B. Barrow, Chief Examiner and Chief Clerk, of your department, to attend a hearing in Jefferson City, Missouri, before the Insurance Department of Missouri to determine whether the Missouri license of the Praetorians, a fraternal benefit society chartered and organized in Texas, shall be revoked.

You state that the contemplated action by the Missouri Insurance Department is based upon the examination report of the Texas Insurance Department whereby the reserve of the Praetorians was impaired by reason of a reduced appraisal of the assets of said fraternal benefit society. You state in your letter:

"The hearing in Missouri is a direct result of the examination conducted in Texas and the requirement made of the Praetorians based on the examination. Details in connection with the examination and the requirements will necessarily be discussed in the hearing and more intelligently explained by representative of this Department."

With reference to whether or not the proposed trip of Mr. Barrow constitutes State business you state:

"The action to be taken by Missouri or any other state naturally affects the existence of the Order and may result in damaging it to such an extent that it cannot operate in Texas. It is important from the standpoint of the State of Texas that the action taken by us be fully explained and understood. It is our view that this action really places the Order on a much sounder basis than it was prior to the examination; that its ability to meet its contractual obligations is increased. It appears to us to be to the interest of the State of Texas to explain to the officials of another state this action we have taken to improve the Order's condition but which the other state evidently does not understand and upon which it proposes to cancel the Praetorians' license."

It is our opinion that the interest of the State of Texas in the action of the Missouri Insurance Department relating to the Praetorians as set out in the preceding paragraph quoted from your letter is not so direct as to constitute State business within the meaning of the following provision contained in the rider to the departmental appropriation bill, being Senate Bill 427, Acts 46th Legislature:

"No traveling expenses shall be incurred by any employee of any of the departments, or other agencies of the government, outside of the boundaries of the State of Texas, except for State business directly concerning his own department or agency and no such expenses shall be paid from State appropriations or out of any local or auxilliary funds by the State Comptroller to any employee of any agency of the government, until and unless a written statement, signed by the Attorney General, advising that the purpose of the proposed trip, in his opinion, is for said State business purposes. . . ."

While it is true that the action of the Missouri Insurance Department may indirectly affect the status and welfare of the Praetorians, a fraternal benefit society chartered in Texas, we do not believe that this interest is any greater than is true in the case of any action by a foreign state against a Texas corporation or association.

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Nor do we regard it as material that the expenses of the proposed trip by Mr. Barrow may eventually be paid by the Praetorians by way of assessment against that company. The money for the payment of Mr. Barrow's traveling expenses would of necessity be made out of an appropriation to the Insurance Department of this State, and the fact that said appropriation might thereafter be supplemented to the extent of such expenses by an assessment against the Praetorians does not deprive the monies paid out by the Comptroller and Treasurer of their character as State funds.

Accordingly, we are compelled to reaffirm our letter to you of October 9th wherein we stated that in our opinion the proposed trip of Mr. Barrow did not constitute State business as defined in the departmental appropriation bill.

Yours very truly

ATTORNEY GENERAL OF TEXAS

By *Walter R. Koch*  
Walter R. Koch  
Assistant

WRK:BBB

APPROVED OCT 24, 1940

*Gerard C. Mann*  
ATTORNEY GENERAL OF TEXAS

