

Opinion No. 14-1391

November 28, 1914

BY: H. S. CLANCY, Assistant Attorney General

TO: Messrs. C. B. Hamilton, A. R. Carter and Herman Gerhardt, Insurance Agents, Tucumcari, New Mexico.

INSURANCE.

Life insurance policies not subject to the payment of U. S. Revenue tax.

OPINION

{*251} I am in receipt of your communication of the 24th instant in which you inquire whether, under the insurance law of New Mexico, it would be considered rebating for an insurance agent, as an inducement to the issuance of policies of insurance, to pay the amount required upon each policy of insurance by the recent act of congress commonly known as the "Revenue Tax." Section 19 of Chapter 48 of the Laws of 1909 provides that no life insurance company doing business in New Mexico shall make any contract of insurance other than as plainly expressed in the policy issued thereon, nor shall any such company or any agent thereof pay directly or indirectly as inducement to insure, any rebate or any valuable consideration of inducement whatever not specified in the policy. This legislation, it will be observed, applies only to life insurance companies, and an examination of what purports to be the recent act of congress of {*252} the United States, which I find in a newspaper, the internal revenue office at Santa Fe, so I am informed, having no copies of the act for distribution, discloses the fact that life insurance policies are not subject to the payment of any tax whatever. Stamps must, however, be attached to all other insurance policies, and inasmuch as our legislation in regard to rebates or the offering of anything as an inducement to insurance applies only to life insurance, I do not see how an insurance agent is violating any law of this state in offering as an inducement to insurance, to pay the tax upon the policies required by the act of congress.