

HOUSE BILL 49

Introduced by Thomas

12/29	Introduced
12/29	Referred to Business & Economic Development
1/07	First Reading
1/11	Hearing
1/15	Tabled in Committee

1 HOUSE BILL NO. 49

2 INTRODUCED BY THOMAS

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4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A HUSBAND AND  
5 WIFE TO BE COVERED UNDER A JOINT POLICY OF CREDIT LIFE OR  
6 CREDIT DISABILITY INSURANCE; AND AMENDING SECTIONS 33-21-103  
7 AND 33-21-201, MCA."

8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1.** Section 33-21-103, MCA, is amended to read:

11 "33-21-103. Definitions. As used in this chapter, the  
12 following definitions apply:

13 (1) "Credit disability insurance" means insurance on a  
14 debtor or on a husband and wife who are joint debtors to  
15 provide indemnity for payments becoming due on a specific  
16 loan or other credit transaction while the debtor or either  
17 of the joint debtors is disabled as defined in the policy.

18 (2) "Credit life insurance" means insurance on the life  
19 of a debtor or on a husband and wife who are joint debtors  
20 pursuant to or in connection with a specific loan or other  
21 credit transaction.

22 (3) "Creditor" means:

23 (a) a lender of money or vendor or lessor of goods,  
24 services, property, rights, or privileges, for which payment  
25 is arranged through a credit transaction;

1 (b) any successor to the right, title, or interest of a  
2 lender, vendor, or lessor;

3 (c) an affiliate, associate, or subsidiary of a lender,  
4 vendor, or lessor;

5 (d) a director, officer, or employee of a lender,  
6 vendor, or lessor; or

7 (e) any other person in any way associated with a  
8 lender, vendor, or lessor.

9 (4) "Credit transaction" means a transaction by the  
10 terms of which, at a future date:

11 (a) repayment of money loaned is made;

12 (b) a loan commitment is made; or

13 (c) payment for goods, services, or property sold or  
14 leased is made.

15 (5) "Debtor" means a borrower of money or a purchaser  
16 or lessee of goods, services, property, rights, or  
17 privileges for which payment is arranged through a credit  
18 transaction.

19 (6) "Indebtedness" means the total amount payable by a  
20 debtor to a creditor in connection with a loan or other  
21 credit transaction.

22 (7) "Open-end credit" means credit extended by a  
23 creditor under an agreement in which:

24 (a) the creditor reasonably contemplates repeated  
25 transactions;

1 (b) the creditor imposes a finance charge from time to  
 2 time on an outstanding unpaid balance; and

3 (c) the amount of credit that may be extended to the  
 4 debtor during the term of the agreement (up to any limit set  
 5 by the creditor) is generally made available to the extent  
 6 that any outstanding balance is repaid."

7 **Section 2.** Section 33-21-201, MCA, is amended to read:

8 "33-21-201. Form of issuance. An insurer may deliver or  
 9 issue for delivery credit life insurance and credit  
 10 disability insurance only in the following forms:

11 (1) individual policies of life insurance issued to  
 12 debtors on a term plan;

13 (2) individual policies of disability insurance issued  
 14 to debtors on a term plan or disability benefit provisions  
 15 in individual policies of credit life insurance;

16 (3) group policies of life insurance issued to  
 17 creditors providing insurance upon the lives of debtors on a  
 18 term plan;

19 (4) group policies of disability insurance issued to  
 20 creditors on a term plan insuring debtors or disability  
 21 provisions in group credit life insurance policies to  
 22 provide such coverage;

23 (5) joint policies of life insurance issued to  
 24 creditors providing insurance jointly upon the lives of a  
 25 husband and wife who are joint debtors on a term plan; or

1 (6) (a) joint policies of disability insurance issued  
 2 to creditors on a term plan insuring a husband and wife who  
 3 are joint debtors; or

4 (b) provisions in joint credit life insurance policies  
 5 to provide disability coverage."

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