SENATE BILL NO. 131

INTRODUCED BY FRITZ, TOOLE

IN THE SENATE

| | IN INC SENATE |
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| JANUARY 18, 1991 | INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY. |
| | FIRST READING. |
| FEBRUARY 22, 1991 | COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED. |
| FEBRUARY 23, 1991 | PRINTING REPORT. |
| | SECOND READING, DO PASS. |
| FEBRUARY 25, 1991 | ENGROSSING REPORT. |
| • | THIRD READING, PASSED. AYES, 49; NOES, 0. |
| | TRANSMITTED TO HOUSE. |
| | IN THE HOUSE |
| MARCH 4, 1991 | INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT. |
| | FIRST READING. |
| MARCH 11, 1991 | COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED. |
| | POSTED ON CONSENT CALENDAR. |
| MARCH 12, 1991 | CONSENT CALENDAR, QUESTIONS AND ANSWERS. |
| MARCH 14, 1991 | THIRD READING, CONCURRED IN. AYES, 98; NOES, 2. |
| | RETURNED TO SENATE. |
| | IN THE SENATE |

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

MARCH 15, 1991

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| 1 | | Senate BILL | NO. | 13/ |
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| 2 | INTRODUCED | BY But Tool | | |

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A MEANS FOR A
FOREIGN INSURER TO BECOME A DOMESTIC INSURER; PROVIDING A
MEANS FOR A DOMESTIC INSURER TO TRANSFER ITS DOMICILE TO
ANOTHER STATE; AND PROVIDING FOR THE CONTINUATION OF A
CERTIFICATE OF AUTHORITY AND OTHER APPROVALS PERTAINING TO
AN INSURER TRANSFERRING ITS DOMICILE."

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STATEMENT OF INTENT

A statement of intent is required for this bill because it grants additional rulemaking authority to the commissioner of insurance. Under [section 3] of the bill, the commissioner may adopt rules and regulations to enforce the provisions of [sections 1 and 2] that pertain to changes of domicile by foreign and domestic insurers.

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19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Admission as domestic insurer — conversion to foreign insurer. (1) An insurer organized under the laws of any other state and admitted to do business in this state for the purposes of writing insurance may become a domestic insurer by complying with all of the laws relative to the organization and licensing of a



domestic insurer of the same type, designating its principal place of business in this state, and paying the filing fees specified in 33-2-708. An insurer complying with this subsection is entitled to a certificate of redomestication and a certificate of authority to transact business in this state, is subject to the authority and jurisdiction of this state, and has the same rights and obligations as other domestic insurers.

(2) A domestic insurer may, upon approval of the commissioner, transfer its domicile to any other state in which it is admitted to transact insurance. If the insurer is otherwise qualified, the commissioner shall approve a proposed transfer unless he determines a transfer is not in the interest of the policyholders of this state. Upon a transfer, the insurer ceases to be a domestic insurer.

domicile. The certificate of authority, producers' appointments and licenses, policy forms, rates, and other items that the commissioner allows, in his discretion, that are in existence at the time an insurer admitted to transact insurance in this state transfers its corporate domicile to

NEW SECTION. Section 2. Effects

this or any other state continue in full force and effect upon transfer if the insurer remains qualified to transact

insurance in this state. All rates and outstanding policie

insurance in this state. All rates and outstanding policies

25 of a transferring insurer remain in full force and effect,

of

transfer

- 1 and policies need not be endorsed as to the new name of the
- 2 company or its domicile unless required by the commissioner.
- A transferring insurer either shall file new policy forms
- 4 for use in this state with the commissioner on or before the
- 5 effective date of the transfer or may use existing policy
- 6 forms with the appropriate endorsements, as allowed by the
- 7 commissioner. A transferring insurer shall notify the
- 8 commissioner of the proposed transfer and shall promptly
- 9 file any resulting amendments to corporate documents
- 10 required to be filed with the commissioner.
- 11 NEW SECTION. Section 3. Authority to promulgate rules
- 12 and regulations. The commissioner may promulgate rules and
- regulations to carry out the purposes of [sections 1 and 2].
- 14 NEW SECTION. Section 4. Codification instruction.
- 15 [Sections 1 through 3] are intended to be codified as an
- 16 integral part of Title 33, chapter 2, and the provisions of
- 17 Title 33, chapter 2, apply to [sections 1 through 3].

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NEW SECTION. Section 1. Admission as domestic insurer

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under the laws of any other state and admitted to do

business in this state for the purposes of writing insurance

SENATE BILL NO. 131

1 may become a domestic insurer by complying with all of the 2 laws relative to the organization and licensing of a 3 domestic insurer of the same type, designating its principal place of business in this state, and paying the filing fees 5 specified in 33-2-708. An insurer complying with this subsection is entitled to a certificate of redomestication 7 and a certificate of authority to transact business in this state, is subject to the authority and jurisdiction of this state, and has the same rights and obligations as other 10 domestic insurers.

(2) A domestic insurer may, upon approval of the commissioner, transfer its domicile to any other state in which it is admitted to transact insurance. If the insurer is otherwise qualified, the commissioner shall approve a proposed transfer unless he determines a transfer is not in the interest of the policyholders of this state. Upon a transfer, the insurer ceases to be a domestic insurer.

NEW SECTION. Section 2. Effects

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appointments and licenses, policy forms, rates, and other items that the commissioner allows, in his discretion, that are in existence at the time an insurer admitted to transact insurance in this state transfers its corporate domicile to this or any other state continue in full force and effect upon transfer if the insurer remains qualified to transact

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- NEW SECTION. Section 3. Authority to promulgate rules and regulations. The commissioner may promulgate rules and regulations to carry out the purposes of [sections 1 and 2].
- NEW SECTION. Section 4. Codification instruction.

 [Sections 1 through 3] are intended to be codified as an integral part of Title 33, chapter 2, and the provisions of
- 19 Title 33, chapter 2, apply to [sections 1 through 3].

required to be filed with the commissioner.

- 20 NEW SECTION. SECTION 5. EFFECTIVE DATE -- RETROACTIVE
- 21 APPLICABILITY. [THIS ACT] IS EFFECTIVE ON PASSAGE AND
- 22 APPROVAL AND APPLIES RETROACTIVELY, WITHIN THE MEANING OF
- 23 1-2-109, TO JANUARY 1, 1991.

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SB 131

CENTAGE DICT NO. 121

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may become a domestic insurer by complying with all of the

NEW SECTION. Section 2. Effects of transfer of domicile. The certificate of authority, producers' appointments and licenses, policy forms, rates, and other items that the commissioner allows, in his discretion, that are in existence at the time an insurer admitted to transact insurance in this state transfers its corporate domicile to

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- 5 A transferring insurer either shall file new policy forms
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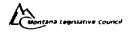
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SB 0131/02

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