



1 *Senate* BILL NO. 131  
 2 INTRODUCED BY *John J. ...*  
 3

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

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 11 STATEMENT OF INTENT

12 A statement of intent is required for this bill because  
 13 it grants additional rulemaking authority to the  
 14 commissioner of insurance. Under [section 3] of the bill,  
 15 the commissioner may adopt rules and regulations to enforce  
 16 the provisions of [sections 1 and 2] that pertain to changes  
 17 of domicile by foreign and domestic insurers.  
 18

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

20 NEW SECTION. Section 1. Admission as domestic insurer

21 -- conversion to foreign insurer. (1) An insurer organized  
 22 under the laws of any other state and admitted to do  
 23 business in this state for the purposes of writing insurance  
 24 may become a domestic insurer by complying with all of the  
 25 laws relative to the organization and licensing of a

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

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

16 NEW SECTION. Section 2. Effects of transfer of

17 domicile. The certificate of authority, producers'  
 18 appointments and licenses, policy forms, rates, and other  
 19 items that the commissioner allows, in his discretion, that  
 20 are in existence at the time an insurer admitted to transact  
 21 insurance in this state transfers its corporate domicile to  
 22 this or any other state continue in full force and effect  
 23 upon transfer if the insurer remains qualified to transact  
 24 insurance in this state. All rates and outstanding policies  
 25 of a transferring insurer remain in full force and effect,

1 and policies need not be endorsed as to the new name of the  
2 company or its domicile unless required by the commissioner.  
3 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  
13 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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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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