

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

January 25, 1985

The ninth meeting of the Business & Industry Committee met in Room 410 of the Capitol Building. The meeting was called to order by Vice-Chairman Christiaens at 10:06 a.m.

ROLL CALL: All members were present.

CONSIDERATION OF SENATE BILL 141: Senator Thomas Keating, Senate District 44, Billings, is the sponsor of this bill. He explained a delivery business was developed several years ago and then encountered problems with regulations as administered by the public service commission on the hauling of mail or parcels to and from airports. These problems were then dealt with and now they have encountered another technicality whereby under the rules that a business must have a public hearing with the public service commission and pay \$102 for a certificate. He explained most people do not realize they need to do this and have been out of compliance for years. This bill would enable those who have an agreement with the U.S. Government to haul commodity items to be exempt from this certificate for public convenience and need. He explained it would be just for convenience really and there was not enough money involved to require these people to go through this process.

PROPOSERS: There were no proponents to this bill.

OPPOSERS: There were no opponents to this bill.

Questions from the committee were called for. Senator Kolstad wanted to know how many people this might apply to and Senator Keating felt it might possibly be 20 or 30. It is just for those who have federal contracts. Mr. Wayne Butz, from the Public Service Commission, Administrator of the Transportation Division, stated that mail hauled by a private contractor can not be regulated by them, it would just mean they would not have to have this \$102 certificate as they are supposed to presently. Anyone who now hauls federal contracts has a certificate from the federal government already. He also explained that a commodity is anything that can be moved or hauled but people. Senator Keating closed by stating it was simply a housecleaning type of bill and would let people go about their business a little bit easier.

The hearing was closed on Senate Bill 141.

CONSIDERATION OF SENATE BILL 139: Senator Gene Thayer, Senate District 19, Great Falls, explained this bill would help make retail contracts simpler and easier to understand. It would also eliminate some of the duplication currently required. (EXHIBIT 1) He also brought along a copy of a contract and highlighted the areas that would be eliminated if this bill

were to pass. (EXHIBIT 2)

PROPOSERS: Diane Spranget, a loan compliance officer for First Bank in Bozeman, explained how she is involved with clients in drawing up contracts and the procedure that is involved in making sure all the disclosure requirements are correct and how confusing it is to the individuals and to the sellers. She feels that there is some duplication in some areas with some inconsistencies in the actual wording and that the disclosure requirements required under Federal Regulation Z is sufficient. She urges favorable consideration of this bill. (EXHIBIT 3) Les Alke, representing the Montana Bankers Association, stated they fully support this bill. (EXHIBIT 4) Tom Harrison, Montana Auto Dealers Association, expressed their support for this measure also.

OPPOSERS: There were no opposers to Senate Bill 139.

Questions from the committee were then called for. Senator Christiaens wondered just where the disclosure information would be on the contract and was informed by Diane Spranget it would be in the itemization. Les Alke explained that the retail installment act came about in 1959 and regulation Z, which covers much more under federal requirements, came about in the 60's. Senator Christiaens wondered if the form had not been changed in the past couple of years. He wondered if this bill were passed if there would be standard forms and was told they would not. He thinks this might be part of the confusion because there are so many different forms. Senator Halligan could not see why there is confusion but Diane Spranget explained there is a problem and that she deals with this confusion daily. In closing Senator Thayer stated he felt this would streamline the process of filling out a contract and felt that it was a good bill.

The hearing was closed on Senate Bill 139.

DISPOSITION OF SENATE BILL 143: Senator Goodover made a motion that Senate Bill 143 DO PASS. Motion carried un-animously.

DISPOSITION OF SENATE BILL 145: Chairman Halligan explained the amendment that had been proposed making it a requirement that a bank have at least quarterly meetings. (EXHIBIT 5) Senator Neuman then moved to ADOPT THE AMENDMENT to this bill as proposed. The motion passed with Senator Gage voting no. Senator Thayer then moved TO PASS Senate Bill 145 AS AMENDED. The motion carried.

DISPOSITION OF SENATE BILL 146: Senator Christiaens moved that

Senate Bill 146 DO PASS. Chairman Halligan showed the proposal to amend this bill which would allow the board of realty regulation to adopt rules with respect to continuing education in their field. He felt this was realistic and is done with nearly every other board. Senator Boylan said this has been done before and failed. Senator Gage felt that requiring continuing education is a waste of time because those who are responsible do this anyway. Mr. Terry Carmody indicated that most realtors were in favor of continuing education.

(EXHIBIT 6) Senator Christiaens then moved the amendments as proposed for Senate Bill 146 DO PASS. On a roll call vote, this motion passed 6 to 4. Senator Gage was still concerned about the requirement that one must be a high school graduate to be licensed and wanted this language reinserted. After some discussion, he made a motion to reinsert the language that was in current law. This motion CARRIED. Senator Fuller then moved that Senate Bill 146 DO PASS AS AMENDED. The motion carried with Senator Goodover voting no.

CONSIDERATION OF SENATE BILL 120: Senator Halligan showed the committee some amendments he had proposed which would remove all the restrictions on any contractor working on any project other than a state contract unless you were under an authorized time extension or had received a certificate of substantial completion. (EXHIBIT 7) Barbara Martin gave the committee an explanation of just what a certificate of substantial completion was. It is when an owner can occupy and use a building but recognizing there are a certain number of items that have to be completed yet. Senator Boylan brought up the issue of when substantial repair is done to a building that is already occupied, just when in this situation you have or can obtain a certificate of substantial completion. It is a question of who is interpreting when a building is at a point of completion and can be interpreted differently by different people. Senator Thayer wondered what was wrong with bidding on more than one project at a time. He feels if people are capable of working on more than one job at a time they should not be penalized for doing so. Senator Boylan stated he felt people are becoming afraid to bid on state work because of problems such as this bill is attempting to resolve. After discussion the committee decided to wait till getting more information from the construction advisory meeting minutes.

DISPOSITION OF SENATE BILL 165: Senator Neuman moved that Senate Bill 165 DO PASS. There was an amendment proposed which would delete in Section 33-20-1105 reference to time periods. (EXHIBIT 8) Senator Christiaens wondered just who this might affect. Senator Neuman then withdrew his initial motion and moved that the amendments as proposed by the insurance commission DO PASS. The motion carried. Senator Neuman then moved that Senate Bill 165 DO PASS AS AMENDED. Motion carried.

The meeting was adjourned at 11:30 a.m.


Mike Halligan, Chairman

ROLL CALL

BUSINESS & INDUSTRY

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 1/25/85

SENATE
SEAT
#

NAME	PRESENT	ABSENT	EXCUSED
Chairman Halligan	X		
V-ohrm. Christiaens	X		
Boylan	X		
Fuller	X		
Gage	X		
Goodover	X		
Kolstad	X		
Neuman	X		
Thayer	X		
Williams	X		

Each day attach to minutes.

Mr. Chairman and committee members, I am Senator Gene Thayer of District 19, Great Falls. I am the sponsor of Senate Bill 139.

The trend over the past few years in contracts has been to make them simpler, easier to understand and shorter. Senate Bill 139 falls in line with that trend.

Montana retail installment contracts are lengthy documents. Their length makes them appear intimidating. My bill proposes to shorten retail installment contracts by eliminating the duplication currently required. The federal Truth in Lending Law and section 31-1-231, MCA, request much of the same information. Therefore, I propose with Senate Bill 139 that if a retail installment contract is subject to and complies with the federal Truth in Lending Act it need not also contain Montana retail installment contract disclosures.

By modifying retail installment contracts in this manner, they will be shorter and less intimidating and the duplication of information will be eliminated.

Thank you for your time and consideration on Senate Bill 139. I hope you will support it with a "do pass" recommendation.

RETAIL INSTALLMENT CONTRACT (MONTANA)

Buyer's Name, Address (include County & ZIP Code)	Seller-Creditor Name, Address
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THIS AGREEMENT covers my installment purchase from you of the property described below. In this agreement, the words "I," "ME," and "MY" refer to the buyer. The words "YOU" and "YOUR" refer to the Seller, Assignee and any other person to whom this agreement may be assigned.

Promise to Pay: I promise to pay you, the Seller, a Total Sale Price of \$_____ I have made a downpayment of \$_____ I understand that you intend to assign the contract to _____ First Bank _____

Address _____ and that I will make my payments directly to the bank which will have the same rights you have under this agreement. I understand that anyone else who signs this agreement (except someone offering only a security interest in the property) will be individually and jointly responsible, to the same extent as I am.

This payment schedule is based on an Annual Percentage Rate of _____% which includes the cost of any insurance and other charges on which you and I have agreed. Finance Charge begins to accrue _____ 19____

The Property, The property I am buying is described as follows:

N or U	Year and Make	Body Type & Model	Description (including capacity if truck)	Property Used For	Serial Number	Key	Cash Sale Price

Accessories & Misc: A. Trans. () P. Steering () FM. Radio () A. Cond. () Other _____ Miles _____

FEDERAL TRUTH-IN-LENDING ACT DISCLOSURES

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments	Total Sale Price
The cost of my credit at a yearly rate. _____%	The dollar amount the credit will cost me. \$_____	The amount of credit provided to me or on my behalf. \$_____	The amount I will have paid after I have made all payments as scheduled. \$_____	The total cost of my purchase on credit, including my downpayment of \$_____

Payment Schedule: No _____ Amt. \$_____ Due: Monthly (Other) _____
Beginning _____ 19____ Irregular payments (if any) as follows: _____
Filing Fees: \$_____ Non-Filing Insurance \$_____

Security: I am giving you a security interest in: the property being purchased, Other (describe) _____ Collateral securing any other debts I owe you may also be security for this sale.

Late Charge: If a payment is late by more than 10 days I will be charged \$5 or 5% of the unpaid installment, whichever is less.

Prepayment: I will not have to pay a penalty if I pay off early. If I do I may be entitled to a refund of part of the finance charge.

Assumption Policy (Applicable only to Mobile Home Transactions when used as Principal Residence): Someone buying my mobile home may, subject to conditions, be allowed to cannot assume the remainder of my obligation on the original terms.

See the contract provisions for any additional information about nonpayment, default, any required repayment in full before the scheduled date, any prepayment penalties and refunds.

\$ means an estimate

Itemization of the Amount Financed of \$_____	Amount paid to others on my behalf:
\$_____ to _____	\$_____ to _____
\$_____ Amount given to me directly \$_____	\$_____ to _____
\$_____ Amount paid on my account \$_____	\$_____ prepaid finance charge \$_____

MONTANA RETAIL INSTALLMENT SALES ACT DISCLOSURES

I UNDERSTAND THAT THIS IS AN APPLICATION FOR INSURANCE COVERAGE AND NOT A COMMITMENT TO PROVIDE IT.

1. My Cash Sale Price \$_____ (1)
2. My Cash Downpayment \$_____ (2)
Trade-In (Net) - Description: \$_____ (3)
Make _____ Model _____ Yr. _____ (4)

you, if offered, I may get the following coverage from you at a cost of \$_____ for a _____ (year) (month) term.

() Comprehensive } \$_____ }
Deductible \$_____ }
() Collision } \$_____ }
Deductible \$_____ }
() Fire, Theft & Combined } \$_____ }
Additional Coverage }
() Other } \$_____ }

3. My Unpaid Balance (1-2) \$_____ (5)
4. Other Charges I Am Financing: \$_____ (6)
A. Taxes (not included in #1) \$_____
B. Official Fees \$_____
C. Total of Charges for Insurance and Other Benefits \$_____
D. Other (Specify) \$_____
Total (A+B+C+D) \$_____
Less Cash Paid, if Any \$_____
Total Other Charges I Am Financing \$_____ (4)

I ALSO UNDERSTAND THAT YOU DO NOT PROVIDE LIABILITY INSURANCE COVERAGE FOR BODILY INJURY OR PROPERTY DAMAGE TO OTHERS UNLESS INDICATED ABOVE.

5. My Principal Balance (3+4) \$_____ (5)
6. Finance Charge \$_____ (6)
7. Total Amount of Time Balance (5+6) \$_____ (7)
8. With Monthly Premium Insurance: \$_____ (8)
A. Total of Payments \$_____
B. Deferred Payment Price \$_____
C. Total Monthly Payment \$_____ (9)

Agent _____ Phone _____

Credit life and credit disability insurance are not required to obtain credit, and will not be provided unless I sign and agree to pay the additional cost. I am under 66 years of age and may apply for this insurance at the premium shown below. However, if a loan is either secured by real estate or for a term in excess of 120 months the insurance may be Monthly Premium Insurance and the premium is not included in the amount disclosed as being financed. I want:

Single Credit Life \$_____ Date _____ Signature _____ Birthdate _____
 Joint Credit Life \$_____ Date _____ Signature _____ Birthdate _____
 Credit Disability \$_____ Date _____ Signature _____ Birthdate _____
First Signer Only _____ Birthdate _____

ACCEPTANCE OF ASSIGNMENT

By signing below, both Seller & Bank, consent to this transfer according to the terms on the reverse side:
Seller consents to this transfer. _____ The Bank consents to this transfer. _____
By _____ By _____
Date _____ Name _____ Title _____ Date _____ Name _____ Title _____

NOTICE TO BUYER:

- Do not sign this contract before you read it or if it contains any blank spaces.
- You are entitled to an exact copy of the contract you sign.
- Under the law, you have the right to pay off in advance the full amount due and obtain a partial refund of the finance charge.

No Personal Liability. The person whose signature appears below has signed this contract only for the purpose of granting the Secured Party a security interest in the Property, and has no personal liability for payment of this debt.

Signature _____ Date _____

I HAVE READ THIS AGREEMENT, UNDERSTAND IT, AND AGREE TO ALL OF ITS TERMS. I ALSO ACKNOWLEDGE RECEIPT OF A COMPLETELY FILLED-IN AND EXECUTED COPY OF THIS CONTRACT THIS _____ DAY OF _____ 19____

First Signer's Signature _____ Address _____
Second Signer's Signature _____ Address _____
Seller's Signature _____ Title _____

NAME Liane C Sprang Bill No. 139
ADDRESS 408 Staudacher, Bozeman, MT DATE 1-25-85
WHOM DO YOU REPRESENT First Party, Bozeman
Local Committee of Montana Bankers
SUPPORT OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME: Les. Albe Bill No. 139
ADDRESS #1 Last Chance gulch DATE 1/25/85
WHOM DO YOU REPRESENT Montana Bankers Assoc
SUPPORT OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

AMENDMENTS TO SENATE BILL 145

be amended as follows:

1. Page 5, line 12.

Following: "month"

Insert: "(1) The board of directors of a bank must hold
a meeting at least quarterly."

Renumber: subsequent subsections.

PROPOSED AMENDMENTS TO SENATE BILL 146

be amended as follows:

1. Page 1, line 8.

Following: "EDUCATION;"

Insert: "TO ALLOW THE BOARD OF REALTY REGULATION TO
PRESCRIBE BY RULE CONTINUING EDUCATION REQUIREMENTS;"

2. Page 1

Following: line 10.

Insert: "Section 1. Section 37-51-204, MCA, is amended to
read: "37-51-204. Educational programs and continuing
education. (1) The board may, subject to 37-1-101, conduct,
hold, or assist in conducting or holding real estate clinics,
meetings, courses, or institutes and incur necessary expenses
in this connection.

(2) The board may assist libraries and education institutions
in sponsoring studies and programs for the purpose of raising
the standards of the real estate business and the competency
of licensees.

(3) The board may prescribe by rule continuing education
requirements."

Renumber: subsequent sections.

3. Page 3, line 9.

Following: "law"

Insert: "and ethics"

PROPOSED AMENDMENTS TO SENATE BILL 120

be amended as follows:

1. Page 1, line 7.

Following: "BIDS"

Insert: "ON OTHER THAN STATE CONTRACTS"

2. Page 1, line 8.

Following: "SECTIONS"

Insert: "18-2-311,"

3. Page 1, line 9.

Following: "MCA;"

Strike: "REPEALING SECTION 18-2-311,"

4. Page 1

Following: line 12

Insert: "Section 1. Section 18-2-311, MCA, is amended to read: 18-2-311. Restriction on submitting additional bids on state contracts when working beyond contract time. A public contractor, as defined in 37-71-101, who has been awarded a contract by the state of Montana for the construction or reconstruction of a state public work and is working beyond the contract time (including any authorized time extensions) shall not submit any additional bids or proposals or enter into any additional contract with any public agency of the state of Montana until he has completely executed the contract upon which he is working beyond contract time and all supplemental agreements thereto, or has been issued a certificate of substantial completion."

Renumber: subsequent sections.

5. Page 1, line 15.

Following: "~~time~~"

Insert: "and if bidding on a state contract is not beyond contract time or has been issued a certificate of substantial completion on a state contract."

6. Page 2, line 3.

Following: "~~time~~"

Insert: "If a public contractor is bidding on a state public contract he shall provide evidence that he is not working beyond the contract time, including authorized time extensions, or has been issued a certificate of substantial completion on any previously awarded state public contract project."

7. Page 3, lines 6 and 7.

Strike: Section 3 in its entirety.

be amended as follows:

1. Page 1, line 6.

Following: "AMENDING"

Strike: "SECTION"

Insert: "SECTIONS 33-20-1105 and"

2. Page 1.

Following: line 9.

Insert: "Section 1. Section 33-20-1105, MCA, is amended to read: "

33-20-1105. Debtor groups. The lives of a group of individuals may be insured under a policy issued to a creditor, who shall be deemed the policyholder, to insure the debtors of the creditor, subject to the following requirements:

(1) The debtors eligible for insurance under the policy shall be all of the debtors of the creditor whose indebtedness is repayable either in installments or in one sum at the end of a period not in excess of 18 months from the initial date of the debt or all of any class or classes thereof determined by conditions pertaining to the indebtedness or the purchase giving rise to the indebtedness. The policy may provide that the term "debtors" shall include the debtors of one or more subsidiary corporations and the debtors of one or more affiliated corporations, proprietors, or partnerships of the business of the policyholder and of such affiliated corporations, proprietors, or partnerships is under common control.

(2) The premium for the policy shall be paid by the policyholder, either from the creditor's funds or from charges collected from the insured debtors, or from both. A policy on which part or all of the premium is to be derived from the collection from the insured debtors of identifiable charges not required of uninsured debtors shall not include, in the class or classes of debtors eligible for insurance, debtors under obligations outstanding at its date of issue without evidence of individual insurability unless at least 75% of the then eligible debtors elect to pay the required charges. A policy on which no part of the premium is to be derived from the collection of such identifiable charges must insure all eligible debtors or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy may be issued only of the group of eligible debtors is then receiving new entrants at the rate of at least 100 persons yearly or may reasonably be expected to receive at least 100 new entrants during the first policy year and only if the policy reserves to the insurer the right to require evidence of individual insurability if less than 75% of the new entrants become insured. The policy may exclude from the classes eligible for insurance classes of debtors determined by age.

(4) The amount of insurance on the life of any debtor shall at no time exceed the amount owed by him to the creditor. Where the indebtedness is repayable in one sum to the creditor, the insurance on the life of any debtor shall in no instance be in effect for a period in excess of 5 years, except that such insurance may be continued for an additional period not exceeding 6 months in the case of default, extension, or recasting of the loan.

(5) The insurance shall be payable to the policyholder. Each payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of such payment."

Renumber: subsequent sections.

STANDING COMMITTEE REPORT

JANUARY 25

85

..... 19.....

MR. PRESIDENT

BUSINESS & INDUSTRY

We, your committee on.....

SENATE BILL

143

having had under consideration..... No.....

first

white

reading copy ()

color

CHANGING THE LIMIT ON LOANS TO DEVELOPMENT CORPORATIONS

SENATE BILL

143

Respectfully report as follows: That..... No.....

DO PASS

~~XXXXXXXXXX~~

Sen. Mike Halligan.....

Chairman.

STANDING COMMITTEE REPORT

JANUARY 25

19 85

MR. PRESIDENT

We, your committee on **BUSINESS & INDUSTRY**

having had under consideration **SENATE BILL** No. **145**

first reading copy (white)
color

STOCK OWNERSHIP, NUMBER, AND MEETINGS OF DIRECTORS OF BANKS

SENATE BILL

145

Respectfully report as follows: That..... No.....

be amended as follows:

1. Page 5, line 12.

Following: "month"

Insert: "(1) The board of directors of a bank must hold a meeting at least quarterly."

Reamend: subsequent subsections.

AND AS AMENDED

DO PASS

~~DO NOT PASS~~

Sen. Mike Halligan

Chairman.

STANDING COMMITTEE REPORT

JANUARY 25

1935

MR. PRESIDENT

BUSINESS & INDUSTRY

We, your committee on

having had under consideration.....

SENATE BILL

No. 146

first

white

reading copy ()
color

EXPANDING LICENSING REQUIREMENTS FOR REAL ESTATE BROKERS AND SALESMEN

Respectfully report as follows: That.....

SENATE BILL

146

No.....

be amended as follows:

1. Title, lines 6,7 and 8.

Following: "AND"

Strike: remainder of line 6, all of line 7 through "EDUCATION" on line 8.

Insert: "TO ALLOW THE BOARD OF REALTY REGULATION TO PRESCRIBE BY RULE CONTINUING EDUCATION REQUIREMENTS"

2. Title, line 3.

Following: "AMENDING"

Strike: "SECTION"

Insert: "SECTIONS 37-51-204 AND"

3. Page 1

Following: line 10.

Insert: "Section 1. Section 37-51-204, MCA, is amended to read: "37-51-204. Educational programs and continuing education. (1) The board may, subject to 37-1-101, conduct, hold, or assist in conducting or holding real estate clinics, meetings, courses, or institutes and incur necessary expenses in this connection.

(2) The board may assist libraries and education institutions in sponsoring studies and programs for the purpose of raising the standards of the real estate business and the competency of licensees.

(3) The board may prescribe by rule continuing education requirements."

Renumber: subsequent sections

XXXXX6

XXXXX6

continued on page 2

Chairman.

4. Page 2, line 23.

Strike: "graduated from"

Insert: "received credit for completion of 2 years of
full curriculum study at"

5. Page 3, line 9.

Following: "law"

Insert: "and ethics"

AND AS AMENDED

DO PASS

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS & INDUSTRY

Date January 25 , 1985 Bill No. 146 Time 10:30 a.m.

<u>NAME</u>	<u>YES</u>	<u>NO</u>
Chairman Mike Halligan	X	
V-Chrm. B. F. Christiaens	X	
Senator Paul Boylan	X	
Senator David Fuller	X	
Senator Delwyn Gage		X
Senator Pat Goodover		X
Senator Allen Kolstad		X
Senator Ted Neuman	X	
Senator Gene Thayer		X
Senator Bob Williams	X	

Carol Duval
Secretary

Mike Halligan
Chairman

Motion: Senator Christiaens moved to adopt the three amendments
as proposed on exhibit 6.

STANDING COMMITTEE REPORT

JANUARY 25

19 85

MR. PRESIDENT

We, your committee on **BUSINESS & INDUSTRY**

having had under consideration **SENATE BILL** No. **165**

first reading copy (**white**)
color

INCREASE LOAN DURATION FOR EXEMPT CREDIT LIFE & DISABILITY INSURANCE

Respectfully report as follows: That **SENATE BILL** No. **165**

be amended as follows:

1. Title, line 6.

Following: "AMENDING"

Strike: "SECTION"

Insert: "SECTIONS 33-20-1105 AND"

~~XXXXXX~~
DO NOT PASS

~~XXXXXXXXXX~~
DO NOT PASS

continued

page 1 of 2

Chairman.

2. Page 1.

Following: line 9.

Insert: "Section 1. Section 33-20-1105, MCA, is amended to read:

"33-20-1105. Debtor groups. The lives of a group of individuals may be insured under a policy issued to a creditor, who shall be deemed the policyholder, to insure the debtors of the creditor, subject to the following requirements:

(1) The debtors eligible for insurance under the policy shall be all of the debtors of the creditor whose indebtedness is repayable either in installments or in one sum at the end of a period not in excess of 18 months from the initial date of the debt or all of any class or classes thereof determined by conditions pertaining to the indebtedness or the purchase giving rise to the indebtedness. The policy may provide that the term "debtors" shall include the debtors of one or more subsidiary corporations and the debtors of one or more affiliated corporations, proprietors, or partnerships if the business of the policyholder and of such affiliated corporations, proprietors, or partnerships is under common control.

(2) The premium for the policy shall be paid by the policyholder, either from the creditor's funds or from charges collected from the insured debtors, or from both. A policy on which part or all of the premium is to be derived from the collection from the insured debtors of identifiable charges not required of uninsured debtors shall not include, in the class or classes of debtors eligible for insurance, debtors under obligations outstanding at its date of issue without evidence of individual insurability unless at least 75% of the then eligible debtors elect to pay the required charges. A policy on which no part of the premium is to be derived from the collection of such identifiable charges must insure all eligible debtors or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy may be issued only if the group of eligible debtors is then receiving new entrants at the rate of at least 100 persons yearly or may reasonably be expected to receive at least 100 new entrants during the first policy year and only if the policy reserves to the insurer the right to require evidence of individual insurability if less than 75% of the new entrants become insured. The policy may exclude from the classes eligible for insurance classes of debtors determined by age.

(4) The amount of insurance on the life of any debtor shall at no time exceed the amount owed by him to the creditor. Where the indebtedness is repayable in one sum to the creditor, the insurance on the life of any debtor shall in no instance be in effect for a period in excess of 5 years, except that such insurance may be continued for an additional period not exceeding 6 months in the case of default, extension, or resetting of the loan.

(5) The insurance shall be payable to the policyholder. Each payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of such payment."

Renumber: subsequent sections.

AND AS AMENDED

DO PASS

Senator Mike Halligan, Chairman

CLERICAL

Date: 1/26/85
Time: 11:10 AM

Senate Bill 146

In accordance with Joint Rule 3-7(b) the following clerical errors may be corrected:

Business + Industry Rep. of 1/25

#3 insert: "Section 1. Section 37-51-204, MCA, is amended to read: " 37-51-204. Educational programs and continuing education. (1) The board may, subject to 37-1-101, conduct, hold, or assist in conducting or holding real estate clinics, meetings, courses, or institutes and incur necessary expenses in this connection.

(2) The board may assist libraries and educational ^{sp} institutions in sponsoring studies and programs [^] for the purpose of raising the standards of the real estate business and the competency of licensees.

(3) The board may prescribe by rule continuing education requirements. " "

renumber: subsequent sections

1/28/85 2:59 pm
[Signature]
Sponsor

DS

Secretary of Senate
or
Chief Clerk

Legislative Council

CLERICAL

Date: 1/26/85

Senate Bill 165

Time: _____

In accordance with Joint Rule 3-7(b) the following clerical errors may be corrected:

Standing Committee Report of 1/25

Amendment #2

(1) "~~indebitness~~" should be
"~~indebitness~~"

(Code copied incorrectly)
word spelled wrong

1/28/85 2:59 p.m.

M. A. Kelly
Sponsor

Secretary of Senate
or
Chief Clerk

M. Novak
Legislative Council