

MINUTES OF THE MEETING
BUSINESS AND INDUSTRY COMMITTEE
MONTANA STATE SENATE

March 17, 1987

The thirty-sixth meeting of the Business and Industry Committee was called to order by Chairman Allen C. Kolstad at 10:00 a.m. on Tuesday, March 17, 1987, in Room 410 of the State Capitol.

ROLL CALL: All members were present.

CONSIDERATION OF HOUSE BILL NO. 363: Representative Robert Hoffman of House District No. 74 at Sheridan, is the chief sponsor of HB 363. The is an act creating the same but no greater rights and privileges for foreign insurers as for domestic insurers.

Representative Hoffman stated that this bill provides that a foreign insurer has the same rights, privileges, and duties under the insurance laws as a domestic insurer as long as the foreign insurer's certificate of authority to do business in the state is in effect. This bill is a simple bill which allows for everyone to be treated the same. This bill was requested by the State Auditor's Office.

Representative Hoffman stated that there should be two small amendments added to this bill. They are the following:

1. Page 1, line 10.

Strike: "A"

Insert: "Except as otherwise provided in this chapter,
a"

2. Page 1, lines 14 through 15.

Strike: ", except as otherwise provided in this
chapter"

PROPONENTS:

Tanya Ask, representing the State Auditor's Office, stood in support of the bill. (EXHIBIT 1)

OPPONENTS: There were no opponents to House Bill No. 363.

DISCUSSION: There were no questions asked by the committee.

EXECUTIVE ACTION ON HOUSE BILL NO. 363:

MOTION: A motion was made by Senator Meyer and seconded by Senator McLane that the amendment offered by Representative Hoffman be adopted. Motion carried.

MOTION: A motion was made by Senator Meyer and seconded by Senator McLane that the committee give HB 363 a BE CONCURRED IN AS AMENDED recommendation. Motion carried.

CONSIDERATION OF HOUSE BILL NO. 769: Representative John Patterson of House District No. 97 at Custer, is the chief sponsor of this bill. This is an act making certificates of authority for farm mutual insurers, benevolent associations, and fraternal benefit societies continuous rather than annually renewable.

Representative Patterson stated that HB 759 provides that certificates of authority for farm mutual insurers, benevolent associations, and fraternal benefit societies may be continuous. Presently they must be renewed annually. A certificate remains in force as long as the insurer is entitled to it and it has not been revoked, suspended, or otherwise terminated. This bill was requested by the Office of the State Auditor.

PROPOSERS: There were no proponents to House Bill No. 769.

OPPOSERS: There were no opponents to House Bill No. 769.

DISCUSSION: There were no questions from the committee.

EXECUTIVE ACTION ON HOUSE BILL NO. 769: A motion was made by Senator McLane and seconded by Senator Meyer that HB 769 be given a BE CONCURRED IN recommendation from the committee. Motion carried.

Senator McLane will carry this bill on the floor of the Senate.

CONSIDERATION OF HOUSE BILL NO. 487: Representative Fred Thomas of House District No. 72, in Stevensville, is the chief sponsor of HB 487. This is an act providing that all applicants for an insurance consultant's license must take an examination.

Representative Thomas stated that HB 487 provides that an applicant for an insurance consultant's license must take an examination.

PROPOSERS:

Roger McGlenn, representing the Independent Insurance Agents Association of Montana, rose in support of the bill. For property and causality consultants, it requires very technical and professional responsibility in many of the professional services that they provide. If the professionals are sound enough to be a consultant, then they are sound enough to pass the exam.

Bonnie Tippy, representing the Montana Association of Life Underwriters, stood in support of the bill. The association has maintained the same position all session that professionalism be stressed regarding the agents and consultants. She urged that committee to give the bill a Be Concurred In recommendation.

Tanya Ask, from the insurance department of the State Auditor's Office, stood in support of the bill. (EXHIBIT 2)

OPPONENTS: There were no opponents to House Bill NO. 487.

DISCUSSION ON HOUSE BILL NO. 487: Senator Kolstad asked Representative Thomas who pays the fee, the person taking the exam? Representative Thomas replied that "yes" the person taking the examination is the one who pays the fee.

EXECUTIVE ACTION ON HOUSE BILL NO. 487: A motion was made by Senator Weeding and seconded by Senator Hager that HB 487 be given a BE CONCURRED IN recommendation from the committee. Motion carried.

Senator Meyer will carry this bill on the floor of the Senate.

FURTHER DISCUSSION ON HOUSE BILL NO. 179: House Bill No. 179 is Representative Jones' Bill which prohibits acquisition of insured banks by certain companies. This bill was heard in committee on March 16, 1987.

A representative of D. A. Davidson Company appeared in opposition to the bill at the hearing. There were some amendments offered at that time, however, they do not address the problem that the D. A. Davidson Company is concerned with.

Senator Walker stated that he thought that perhaps he would be in favor of the bill. At the hearing, a case was cited where someone had a legitimate problem with a company which had loaned money for a construction project and then the loan company made the construction people buy all of their appliances from them.

Senator Kolstad stated that the committee will hold this bill further.

CONSIDERATION OF HOUSE BILL NO. 771: Representative William Glaser, House District No. 98 in Billings, in the chief sponsor of HB 771. This is an act to amend the laws relating to the authorization of surplus lines insurers, agents, and insurance, and providing an immediate effective date. This bill is at the request of the Office of the State Auditor.

Representative Glaser stated that this bill amends the laws relating to surplus line insurers to more closely regulate these insurers. A surplus line insurer supplies coverage that cannot be procured in this state from authorized insurers. A surplus line agent now must be licensed as such. The bill provides that insurance may be procured through a licensed surplus lines agent if the full amount or kind of insurance cannot be obtained from authorized insurers after a diligent search by the insurance agent among authorized insurers writing the kind and class of insurance sought. The bill sets licensing standards, provides for a placement fee, and deals with withdrawal of eligibility from a surplus lines insurer. (EXHIBIT 3)

PROPONENTS:

Kathy Irigion, representing the Office of the State Auditor, stood in support of the bill. (EXHIBIT 4)

Senator Kolstad asked Ms. Irigion to define the term "surplus lines insurance". She stated that "surplus lines insurance" is when someone contacts a Montana licensed insurance company to buy a certain kind of insurance and that company does not have the kind of insurance the client requests, so the company goes to an insurance company out of state to buy the requested insurance.

Roger McGlenn, representing the Independent Insurance Agent Association of Montana, stood in support of the bill. He stated probably the best known "surplus lines insurance company" doing business in the state of Montana is Lloyd's of London. It is not a licensed company in Montana, but it is probably the largest insurance company in the world.

OPPONENTS: There were no opponents to House Bill No. 771.

DISCUSSION ON HOUSE BILL NO. 771:

Senator Weeding asked Ms. Irigion if chemical applicators and those kinds of people, which have been rejected from insurance companies would be able to receive coverage under this bill. Yes, they would be able to receive insurance probably from surplus lines insurance companies.

Roger McGlenn stated that some surplus lines insurance sell the coverage at a reduced rate.

Representative Glaser closed.

EXECUTIVE ACTION ON HOUSE BILL NO. 771:

A motion was made by Senator Meyer that HB 771 be amended as follows:

1. Page 9, line 22.
Strike: "year"
Insert: "years"

Motion carried.

MOTION: A motion was made by Senator Williams and seconded by Senator Meyer that HB 771 BE CONCURRED IN AS AMENDED. Motion carried unanimously.

Senator Thayer will carry HB 771 on the floor of the Senate.

CONSIDERATION OF HOUSE BILL NO. 372: Representative Ron Miller of House District No. 34 in Great Falls, is the chief sponsor of HB 372. This bill is an act revising certain insurance fees, and providing an effective date.

Representative Miller stated that HB 372 raises certain insurance fees and provides for certain other fees. The fee for a domestic insurer to file for an original certificate of authority is raised from \$30 to \$300. This is the amount foreign insurers presently pay. This bill was introduced at the request of the Office of the State Auditor.

The Montana Insurance Department did a survey of the insurance fees charged in Idaho, North and South Dakota, Utah, and Wyoming. In comparison, Montana's insurance fees were low. The purpose of HB 372 is to bring the fees charged to the insurance company's agents by the Montana Insurance Department into line with the fees charged by the insurance departments of the neighboring states. The department is understaffed and underfunded, and therefore, unable to enforce the insurance laws as adequately as it should. HB 372 will also provide additional revenue for the department.

PROPONENTS:

Bonnie Tippy, representing the Montana Life Underwriters of Montana, rose in support of the bill. She stated that her group was particularly in favor of this bill because of the money that will be generated by this act has been appropriated to the insurance department for their use in enforcing Montana's insurance laws.

Kathy Irigion, representing the Office of the State Auditor, stood in support of the bill. (EXHIBIT 5)

Roger McGlenn, representing Independent Insurance Agents of Montana, rose in support of the bill. He stated that his group supports the bill very strongly for the same reasons as the previous witnesses. The Independent Agents submit that by having adequate staff in the insurance department, the most immediate benefits will be realized by the Montana insurance consumers.

Ken Hassler, an agent for Connecticut Mutual Life Insurance Company, rose in support of the bill. He stated that the agents do not mind paying fees. The \$10 they used to pay was ridiculously low, it does not even cover the cost. There are a lot of underwriters in the state that are very very upset with the way in which their funds are being used right now. Approximately one half a million dollars of the funds that are supposed to be regulating the agents and to be helping the consumers which they are dealing with everyday, are going into the general fund. It is not fair and it is not right. House Bill 372 places the funds where they should be going. He urged the committee favorable consideration of this bill.

OPPONENTS:

There were no opponents to HB 372.

DISCUSSION ON HOUSE BILL NO. 372: Senator Boylan commented that this looks like a little more bureaucracy in government.

Representative Miller closed. He stated that this bill is definitely needed. However, he asked the committee to hold off taking action to wait on the Appropriations Committee.

EXECUTIVE ACTION ON HOUSE BILL NO. 449: House Bill No. 449 is Representative Bob Marks' bill which invests part of the retirement funds and coal tax trust in venture capital.

Senator Walker stated that he has some concerns regarding Page 3, line 7, "preference should be given". Senator Walker stated that this does not appear to be strong enough, it should state "shall" as a more definite action.

Mary McQue, Legislative Council Staff, stated that she did not feel that changing "should" to "shall" is going to change the part of the bill.

Senator Walker stated he would like to see the bill amended to send a stronger signal.

Mary McQue stated further that "whenever possible" is qualifying language so the more proper term then would be "should".

Senate Business and Industry Committee
March 17, 1987
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MOTION: A motion was made by Senator Thayer and seconded by Senator Williams that HB 449 BE CONCURRED IN. Motion carried unanimously.

Senator Thayer will carry this bill on the floor of the Senate.

ADJOURN: With no further business the meeting was adjourned at 10:55. The next meeting will be held on Wednesday, March 18, 1987 in Room 410.



SENATOR ALLEN C. KOLSTAD
Chairman

eg

ROLL CALL

Business & Industry

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3/17/87

NAME	PRESENT	ABSENT	EXCUSED
ALLEN C. KOLSTAD, CHAIRMAN	✓		
TED NEUMAN, VICE CHAIRMAN	✓		
PAUL BOYLAN	✓		
TOM HAGER	✓		
HARRY H. McLANE	✓		
DARRYL MEYER	✓		
GENE THAYER	✓		
MIKE WALKER	✓		
CECIL WEEDING	✓		
BOB WILLIAMS	✓		

Each day attach to minutes.

DATE 3/17/87

COMMITTEE ON Business & Industry

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Opp
James W. Borchardt	State Auditor	769	<input checked="checked" type="checkbox"/>	
James M...	State Auditor	HB363	<input checked="checked" type="checkbox"/>	
John P...	HO97	HB487	<input checked="checked" type="checkbox"/>	
John P...	HN97	HB769	<input checked="checked" type="checkbox"/>	
Ken Hassler	MALU	HB373	<input checked="checked" type="checkbox"/>	
W. H. Luber	Ind Ins Agents Assoc of MONTANA	372	<input checked="checked" type="checkbox"/>	
Kathy Trigoin	State Auditor's Office	HB372	<input checked="checked" type="checkbox"/>	
Roger McGLENN	INDPENDENT INS AGENTS ASSOC. OF MT	HB371 HB487 HB771	<input checked="checked" type="checkbox"/>	

TESTIMONY HB 363

Senate Business and Industry
Prepared by Tanya Ask
Montana Insurance Department
March 17, 1987

House Bill 363 is a very short bill designed to bring the insurance code into compliance with the general corporation laws of Montana and insure that foreign corporations will enjoy no greater privileges than insurance companies who domicile in this state.

This provision is already found in Title 35, the general corporation laws.. Insurance companies, however, are regulated by Title 33, the insurance code and therefore this protection does not currently apply to them.

We have prepared an amendment that clarifies the intent of this bill. We felt it clarifies the intent of the bill.

TESTIMONY

EXHIBIT NO. 2
DATE 3/17/87
BILL NO. HB 487

House Bill 487
Submitted by Tanya Ask
Montana Insurance Department
March 17, 1987

An insurance consultant is one who holds special insurance expertise in a certain area, and receives compensation for examining, reviewing or evaluating an insurance plan or program for a person or business. This is to be done outside of any insurance sale.

A person hired to give such advise should be qualified. Removing the exceptions from testing means every applicant for a consultant's license will be treated in the same manner, and for that reason, we support this bill.

(151)

WRITTEN TESTIMONY OF STATE AUDITOR
HOUSE BILL 771
SPONSOR--REPRESENTATIVE GLASER
March 17, 1987

I. Background

The Legislature enacted the present Surplus Lines Insurance Law in 1959. Only three sections were amended since 1959 (sections 33-2-302, 33-2-311, and 33-2-307, MCA). In 1986, the NAIC adopted a new Model Surplus Lines Insurance Law. HB 771 amends the present Surplus Lines Insurance Law to conform with the 1986 NAIC Model Surplus Lines Insurance Law. The only substantive departure from the 1986 NAIC Model Surplus Lines Insurance Law in HB 771 is that subsection (3) of section 7 permits a surplus lines agent to collect a placement fee; whereas, the NAIC Model does not. HB 771 permits unauthorized insurers that have established satisfactory evidence of good reputation and financial integrity to qualify as eligible surplus lines insurers.

II. Purpose

The purposes of HB 771 are to (1) protect persons seeking insurance in Montana; (2) permit surplus lines insurance to be placed with reputable and financially sound unauthorized insurers; (3) establish a system of regulation that will permit orderly access to surplus lines insurance in this state and encourage authorized insurers to provide new and innovative types of insurance to Montana consumers; and (4) protect Montana revenues. HB 771 clarifies and updates The Surplus Lines Insurance Law in Montana.

III. Section by section explanation

Section 1 provides (1) the short title of HB 771, which is "The Surplus Lines Insurance Law"; and (2) the purpose of HB 771.

Section 2 provides definitions.

Section 3 lists the conditions that must be met before insurance may be procured through a licensed surplus lines agent from an unauthorized insurer, i.e., the unauthorized insurer is an eligible surplus lines insurer; the surplus lines agent cannot procure, after a diligent search among authorized insurers, the full amount or kind of insurance; the insurance is not procured to obtain a lower premium rate or better terms of the insurance contract; and all requirements of The Surplus Lines Insurance Law are met.

Section 4 requires each surplus lines insurance policy to be filed with the commissioner and endorsed as "issued in an unauthorized insurer under The Surplus Lines Insurance Law under agent license No. _____" and "NOT covered by the property and casualty guaranty fund of this state if the unauthorized insurer becomes insolvent".

Section 5 provides that surplus lines insurance procured in accordance with The Surplus Lines Insurance Law is valid.

Section 6 provides that an agent licensed in Montana may not procure a surplus lines insurance contract unless he is licensed as a resident property, casualty, and surety insurance agent; possesses a current surplus lines insurance license; and has been licensed as a property, casualty, and surety insurance agent continuously for 5 years or more.

Section 7 provides that a licensed surplus lines agent may (1) place surplus lines insurance, in compliance with The surplus Lines Insurance Law, with any eligible surplus lines insurer; (2) accept business from a licensed insurance agent and receive compensation for doing that; and (3) collect a placement fee of 0.5 percent of the premium charged to cover the costs of issuing and servicing the surplus lines insurance policy (the fee may not be less than \$10 or more than \$100).

Section 8 lists the requirements that an unauthorized insurer must meet to be an eligible surplus lines insurer. Basically, an insurer that establishes satisfactory evidence of good reputation and financial integrity may be approved as an eligible surplus lines insurer.

Section 9 permits the withdrawal of eligibility from a surplus lines insurer if it becomes financially unsound; no longer meets eligibility requirements; willfully violates Montana law; or does not make reasonably prompt payment of just losses and claims in Montana or elsewhere.

Section 10 permits surplus lines agents to form a surplus lines advisory organization.

Section 11 lists the requirements for a surplus lines insurance policy, cover note, or certificate.

Section 12 provides that payment of premium to a surplus lines agent is considered to be payment to the insurer.

Section 13 requires each surplus lines agent to keep and make available for examination by the commissioner a separate record and account of all business transacted under his license within 5 years after the issuance of the surplus lines insurance to which it relates.

SENATE BUSINESS & INDUST
EXHIBIT NO. 3
DATE 3-17-87
BILL NO. H.B. 771

Section 14 requires each surplus lines agent to pay premium tax at the same rate imposed upon authorized insurers for insurance business transacted by him during the preceding calendar year.

Section 15 provides a penalty for failure to file an annual statement or pay premium tax.

Section 16 permits the revocation or suspension of a surplus lines agent license.

Section 17 provides that a surplus lines insurer may be sued in Montana in the district court of the plaintiff's county of residence.

Section 18 requires every surplus lines insurer transacting surplus lines insurance in Montana to appoint the commissioner of insurance as its agent for service of legal process.

Section 19 provides that a surplus lines agent who represents or aids an unauthorized insurer in violation of The Surplus Lines Insurance Law is guilty of a misdemeanor.

Section 20 permits reasonable rulemaking.

Section 21 lists the types of insurance that are exempt from The Surplus Lines Insurance Law.

Sections 22 through 29 amend existing law to change "surplus line" to "surplus lines".

IV. Conclusion

HB 771 updates The Surplus Lines Insurance Law in Montana while protecting Montana insurance consumers by permitting surplus lines insurance to be placed with reputable and financially sound unauthorized insurers. HB 771 establishes a system of regulation that will permit orderly access to surplus lines insurance in Montana and permits surplus lines agents to collect a placement fee for their efforts.

SENATE BUSINESS & INDUST

EXHIBIT NO. 3

DATE 3-17-87

BILL NO. H.B. 771

BILL SUMMARY/COMMENT REPORTDate/Updated 2/16/87Bill # HB 771 Short title Surplus Lines Sponsor Glaser Staff Kathy1. Summary/Key points of bill:

Section 1 provides (1) the short title of HB 771, which is "The Surplus Lines Insurance Law"; and (2) the purpose of HB 771.

Section 2 provides definitions.

Section 3 lists the conditions that must be met before insurance may be procured through a licensed surplus lines agent from an unauthorized insurer, i.e., the unauthorized insurer is an eligible surplus lines insurer; the surplus lines agent cannot procure, after a diligent search among authorized insurers, the full amount or kind of insurance; the insurance is not procured to obtain a lower premium rate or better terms of the insurance contract; and all requirements of The Surplus Lines Insurance Law are met.

Section 4 requires each surplus lines insurance policy to be filed with the commissioner and endorsed as "issued in an unauthorized insurer under The Surplus Lines Insurance Law under agent license No. _____" and "NOT covered by the property and casualty guaranty fund of this state if the unauthorized insurer becomes insolvent".

Section 5 provides that surplus lines insurance procured in accordance with The Surplus Lines Insurance Law is valid.

Section 6 provides that an agent licensed in Montana may not procure a surplus lines insurance contract unless he is licensed as a resident property, casualty, and surety insurance agent; possesses a current surplus lines insurance license; and has been licensed as a property, casualty, and surety insurance agent continuously for 5 years or more.

Section 7 provides that a licensed surplus lines agent may (1) place surplus lines insurance, in compliance with The surplus Lines Insurance Law, with any eligible surplus lines insurer; (2) accept business from a licensed insurance agent and receive compensation for doing that; and (3) collect a placement fee of 0.5 percent of the premium charged to cover the costs of issuing and servicing the surplus lines insurance policy (the fee may not be less than \$10 or more than \$100).

Section 8 lists the requirements that an unauthorized insurer must meet to be an eligible surplus lines insurer. Basically, an insurer that establishes satisfactory evidence of good reputation and financial integrity may be approved as an eligible surplus lines insurer.

Section 9 permits the withdrawal of eligibility from a surplus lines insurer if it becomes financially unsound; no longer meets eligibility requirements; willfully violates Montana law; or does not make reasonably prompt payment of just losses and claims in Montana or elsewhere.

Section 10 permits surplus lines agents to form a surplus lines advisory organization.

Section 11 lists the requirements for a surplus lines insurance policy, cover note, or certificate.

Section 12 provides that payment of premium to a surplus lines agent is considered to be payment to the insurer.

Section 13 requires each surplus lines agent to keep and make available for examination by the commissioner a separate record and account of all business transacted under his license within 5 years after the issuance of the surplus lines insurance to which it relates.

Section 14 requires each surplus lines agent to pay premium tax at the same rate imposed upon authorized insurers for insurance business transacted by him during the preceding calendar year.

Section 15 provides a penalty for failure to file an annual statement or pay premium tax.

Section 16 permits the revocation or suspension of a surplus lines agent license.

Section 17 provides that a surplus lines insurer may be sued in Montana in the district court of the plaintiff's county of residence.

Section 18 requires every surplus lines insurer transacting surplus lines insurance in Montana to appoint the commissioner of insurance as its agent for service of legal process.

Section 19 provides that a surplus lines agent who represents or aids an unauthorized in violation of The Surplus Lines Insurance Law is guilty of a misdemeanor.

Section 20 permits reasonable rulemaking.

Section 21 lists the types of insurance that are exempt from The Surplus Lines Insurance Law.

Sections 22 through 29 amend existing law to change "surplus line" to "surplus lines".

2. Purpose/Background:

The Legislature enacted the current Surplus Lines Insurance Law in 1959. Sections 33-2-302 and 33-2-311, MCA, were amended slightly in 1979. Section 33-2-307 was amended in 1981. No other sections were amended since 1959. In 1986, the NAIC adopted a new Model Surplus Lines Law. HB

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 4
DATE 3-17-87
BILL NO. H.B. 771

771 amends the current Surplus Lines Insurance Law to conform to the 1986 NAIC Model Surplus Lines Insurance Law. The only substantive departure from the 1986 NAIC Model Surplus Lines Insurance Law in HB 771 is that subsection (3) of section 7 permits a surplus lines agent to collect a placement fee. HB 771 provides authority to do some of the things we do currently. For example, HB 771 provides authority to maintain a white list of eligible surplus lines insurers.

3. Recommended position/and explanation: Support

4. Impact to Auditor's Office:

A. Fiscal (staff, resources, etc.)--none because HB 771 simply updates existing law

B. Duties, responsibilities, workload--remain the same

C. Estimated costs--none

5. Groups/Areas affected:

HB 771 will affect surplus lines insurers and agents but not adversely because it simply clarifies and updates existing law.

6. Long-term effects:

HB 771 should improve the quality and availability of surplus lines insurance in Montana because it provides this office clear authority to maintain a white list of eligible surplus lines insurers and permits surplus lines agents to collect a placement fee.

7. Additional comments/Info/Updates:

I know of no opponents to HB 771.

8. Amendments: None

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 4
DATE 3-17-87
BILL NO. H.B. 771

WRITTEN TESTIMONY OF STATE AUDITOR'S OFFICE
HOUSE BILL 372
March 17, 1987

I. Background

The Montana Insurance Department is understaffed and underfunded and therefore unable to enforce insurance laws as adequately it as it should. To address these problems, the Montana Insurance Department conducted a survey of insurance fees charged by Idaho, North Dakota, South Dakota, Wyoming, and Utah. In comparison to the fees charged by those neighboring states, Montana's insurance fees were low even though the Montana Insurance Department performs the same duties as those states.

II. Purpose

House Bill 372 raises insurance fees to an amount commensurate with the costs of performing the duties for which the fees are paid while providing the Legislature an additional source of revenue to fund the Insurance Department. Insurance industry representatives supported House Bill 372 before the House Business and Labor Committee and the House General Government Committee on the condition that the money generated by the increased fees be appropriated to the Insurance Department for adequate regulation of insurance laws. The Subcommittee on General Government and the full Appropriations Committee approved an appropriation to the Insurance Department contingent on passage of House Bill 372. That appropriation would buy three of the most critical FTE requested in the Insurance Department's modified budget requests--an actuary, a field investigator, and an administrative aide.

House Bill 372 does not simply generate additional revenue for more adequate staffing and funding of the Insurance Department. It also allows the state of Montana to receive the same amount of money that neighboring states receive for performing the same functions.

III. Additional Information

- HB 372 changes the following fees for insurance companies:
- (1) increases application filing fee for domestic insurers from \$30 to \$300 like it is for foreign insurance companies;
 - (2) adds a \$50 fee for amending a certificate of authority;
 - (3) increases amendment filing fee from \$10 to \$25; and
 - (4) increases bylaw filing fee from \$5 to \$10.

HB 372 changes the following fees for resident insurance agents, solicitors, surplus lines agents, and adjusters:

- (1) increases resident agent license and renewal fees from \$10 to \$15;
- (2) increases solicitor license and renewal fees from \$5 to \$10;
- (3) adds a solicitor appointment fee of \$10;
- (4) increases agent and solicitor examination fee from \$10 to \$15;
- (5) increases surplus lines license and renewal fee from \$25 to \$50; and
- (6) increases adjuster's license and renewal fees from \$10 to \$15.

HB 372 also increases certificate under seal fee from \$3 to \$10 and increases bulk filing fee from \$50 to \$100.

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 5
DATE 3-17-87
BILL NO. H.B. 372

STANDING COMMITTEE REPORT

MARCH 17, 19 87

MR. PRESIDENT

We, your committee on BUSINESS AND INDUSTRY

having had under consideration HOUSE BILL No. 363

THIRD reading copy (BLUE)
color

HOFFMAN (WELDING)

FOREIGN INSURERS PRIVILEGE

Respectfully report as follows: That HOUSE BILL No. 363

be amended as follows:

1. Page 1, line 10.
Strike: "A"
Insert: "Except as otherwise provided in this chapter, a"
2. Page 1, lines 14 through 15.
Strike: ", except as otherwise provided in this chapter,"

AND AS AMENDED,

BE CONCURRED IN

~~XXXXXX~~
~~DO PASS~~

~~XXXXXXXX~~
~~DO NOT PASS~~

SENATOR ALLEN KOLSTAD, Chairman.

STANDING COMMITTEE REPORT

MARCH 17, 19 37

MR. PRESIDENT

We, your committee on BUSINESS AND INDUSTRY

having had under consideration HOUSE BILL No. 449

THIRD reading copy (BLUE)
color

MARKS (THAYER)

**INVESTING PART OF RETIREMENT FUNDS AND COAL TAX TRUST IN
VENTURE CAPITAL**

Respectfully report as follows: That HOUSE BILL No. 449

BE CONCURRED IN

~~XXXXX~~
DO PASS

~~XXXXXXXXXX~~
DO NOT PASS

SENATOR ALLEN C. KOLSTAD, Chairman.

STANDING COMMITTEE REPORT

MARCH 17, 19 37

MR. PRESIDENT

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

having had under consideration **HOUSE BILL** No. **487**

THIRD reading copy (**BLUE**)
color

THOMAS (MEYER)

INSURANCE CONSULTANTS' LICENSE

Respectfully report as follows: That **HOUSE BILL** No. **487**

BE CONCURRED IN

~~XXXXXX~~
DO PASS

~~XXXXXXXXXX~~
DO NOT PASS

SENATOR ALLEN C. ZOLSTAD, Chairman.

STANDING COMMITTEE REPORT

MARCH 17, 19 37

MR. PRESIDENT

We, your committee on BUSINESS AND INDUSTRY

having had under consideration HOUSE BILL No. 769

THIRD reading copy (BLUE)
color

PATTERSON (MCLANE)

CONTINUOUS CERTIFICATES FOR CERTAIN INSURERS

Respectfully report as follows: That HOUSE BILL No. 769

BE CONCURRED IN

~~XXXXX~~
DO PASS

~~XXXXXXXXX~~
DO NOT PASS

SENATOR ALLEN C. ROLSTAD, Chairman.

STANDING COMMITTEE REPORT

MARCH 17, 19 37

MR. PRESIDENT

We, your committee on BUSINESS AND INDUSTRY

having had under consideration HOUSE BILL No. 771

THIRD reading copy (BLUE)
color

GLASER (THAYER)

REVISE SURPLUS LINES INSURANCE LAWS

Respectfully report as follows: That HOUSE BILL No. 771

be amended as follows:

1. Page 9, line 22.
Strike: "year"
Insert: "years"

AND AS AMENDED,

BE CONCURRED IN

XXXXX
DO PASS

XXXXXXXXX
DO NOT PASS

SENATOR ALLEN C. KOLSTAD, Chairman.