

1 H BILL NO. 520
 2 INTRODUCED BY Faye Mussouri Spuch McDermott Conway
 3 Quilley
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
 5 40-3521, R.C.M. 1947, TO CLARIFY THE PROVISION PROHIBITING A
 6 CONTRACT FOR THE FUNERAL OF AN INSURED AND TO DELETE THE
 7 PROVISION THAT LIFE INSURER MAY NOT OWN A FUNERAL BUSINESS;
 8 PROVIDING A DELAYED EFFECTIVE DATE."

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 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 11 Section 1. Section 40-3521, R.C.M. 1947, is amended to
 12 read as follows:
 13 "40-3521. Prohibited relations with mortuaries.
 14 ~~(1) No life insurer shall own, manage, supervise, operate,~~
 15 ~~or maintain any mortuary, funeral, or undertaking~~
 16 ~~establishment, or permit its officers, employees, or~~
 17 ~~representatives to own, operate, maintain, or be employed in~~
 18 ~~any such business.~~
 19 ~~(2)(1) No life insurer shall may contract or agree with~~
 20 ~~any funeral director, mortuary, or undertaker to the effect~~
 21 ~~that such funeral director, undertaker, or mortuary shall~~
 22 ~~will conduct the funeral of any person insured by such~~
 23 ~~insurer. This subsection does not prohibit a life insurer~~
 24 ~~from making insurance available, the proceeds of which may~~
 25 ~~be specifically designated to be used for the payment of~~

1 funeral expenses.
 2 ~~(3)(2) Each violation of this section shall constitute~~
 3 ~~constitutes a misdemeanor punishable by a fine of not more~~
 4 ~~than one thousand dollars (\$1,000), or by imprisonment at~~
 5 ~~hard labor for not more than six (6) months, or both such~~
 6 ~~fine and imprisonment in the discretion of the court."~~
 7 Section 2. Effective date. This act is effective
 8 January 1, 1978.

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