

1 *Curtiss Mauer* H BILL NO. 570  
 2 INTRODUCED BY *James McNamee, Ramsey, Porter, Davis*  
 3 *Union, Bayless, Beyer, Day, Williams, E. H. Hinn*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE THE *League*  
 5 ESTABLISHMENT OF MUTUAL, STOCK, OR RECIPROCAL INSURANCE *Enduly*  
 6 COMPANIES TO PROVIDE INSURANCE COVERAGE FOR PROFESSIONAL *Co. of*  
 7 LIABILITY CLAIMS RESULTING FROM THE RENDERING OF OR FAILURE *of*  
 8 TO RENDER PROFESSIONAL SERVICES BY HEALTH CARE PROVIDERS OR *Liens*  
 9 OTHER PROFESSIONALS OF THE UNITED STATES." *Merck* *Polmer*  
 10 *Jensen*  
 11 *Amroy*  
 12 *Dubois*

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 12 Section 1. Definitions. As used in this act, the  
 13 following definitions apply:  
 14 (1) "Commissioner" means the commissioner of insurance  
 15 or a designee.  
 16 (2) "Health care provider" means any person,  
 17 corporation, facility, or institution of a governmental unit  
 18 of any state licensed by that state to provide health care,  
 19 including but not limited to physician, osteopath,  
 20 registered nurse, licensed practical nurse, dentist,  
 21 optometrist, podiatrist, hospital, hospital-related  
 22 facility, or long-term care facility.  
 23 (3) "Other professional" means an attorney, certified  
 24 public accountant, public accountant, architect,  
 25 veterinarian, pharmacist, and professional engineer licensed

1 or otherwise legally authorized by a state to render  
 2 professional services.

3 Section 2. Professionals as members, stockholders, or  
 4 subscribers of mutual, stock, or reciprocal insurance  
 5 insurers. A health care provider or other professional may  
 6 be a member of a mutual insurer, a stockholder of a stock  
 7 insurer, or a subscriber of a reciprocal insurer, whether  
 8 such mutual, stock, or reciprocal insurer is domestic,  
 9 foreign, or alien, for the purpose of protecting themselves  
 10 by insurance against loss, damage, or expense incident to a  
 11 claim arising out of a breach of contract, pecuniary or  
 12 personal injury to or death of any person, or other loss as  
 13 the result of negligence in rendering professional services  
 14 by any health care provider or other professional.

15 Section 3. Incorporation and regulation. A domestic  
 16 mutual, stock, or reciprocal insurer, organized for the  
 17 purpose of transacting insurance business as set forth in  
 18 [section 2], shall organize under the provisions of Title 40  
 19 and be regulated as therein provided. The provisions of this  
 20 act govern whenever in conflict with other laws or parts of  
 21 laws of any state.

22 Section 4. Initial qualifications. No original  
 23 certificate of authority for a mutual, stock, or reciprocal  
 24 insurer may be issued by the commissioner until applications  
 25 representing 250 members of the profession under

1 consideration have been received by the commissioner or in  
2 the case of health care providers that are hospitals,  
3 hospital-related facilities, or long-term care facilities,  
4 applications representing 50% of the beds in the state or  
5 states affected, and until the commissioner has determined  
6 that such insurer or insurers have bona fide applications  
7 representing the number of applicants required.

8 Section 5. Foreign or alien insurers --  
9 certification. Any mutual, stock, or reciprocal insurer  
10 organized under the laws of another state substantially  
11 similar to this act for the purpose of transacting the kind  
12 of business described in this act may, upon an application  
13 and without prior operating experience or examination, be  
14 admitted to solicit applications. If the necessary number  
15 of applications is obtained, the insurer may do business in  
16 this state if the commissioner finds such admission is in  
17 the public interest. Thereafter the insurer shall make all  
18 reports and be subject to taxation, examination, and  
19 supervision by the commissioner to the same extent and in  
20 the same manner as are other foreign or alien insurers.

-End-

Approved by Committee on Judiciary

1 *CURTIS MANN* H BILL NO. 570  
 2 INTRODUCED BY ~~Sam Bane, Ramsey, Porter, Davis~~  
 3 *Unigw Bayton, Bayton, Day, Williams, E. Harris*  
 4 *Chick South, F. H. ROSE, Lynch, League*  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE THE  
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 7 COMPANIES TO PROVIDE INSURANCE COVERAGE FOR PROFESSIONAL  
 8 LIABILITY CLAIMS RESULTING FROM THE RENDERING OF OR FAILURE  
 9 TO RENDER PROFESSIONAL SERVICES BY HEALTH CARE PROVIDERS OR  
 10 OTHER PROFESSIONALS OF THE UNITED STATES." *Wink*  
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: *Holmes*  
 12 *Jensen*  
 13 *Amroy*  
 14 *Dulski*

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 5 insurers. A health care provider or other professional may  
 6 be a member of a mutual insurer, a stockholder of a stock  
 7 insurer, or a subscriber of a reciprocal insurer, whether  
 8 such mutual, stock, or reciprocal insurer is domestic,  
 9 foreign, or alien, for the purpose of protecting themselves  
 10 by insurance against loss, damage, or expense incident to a  
 11 claim arising out of a breach of contract, pecuniary or  
 12 personal injury to or death of any person, or other loss as  
 13 the result of negligence in rendering professional services  
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 23 certificate of authority for a mutual, stock, or reciprocal  
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 25 representing 250 members of the profession under

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1 consideration have been received by the commissioner or in  
2 the case of health care providers that are hospitals,  
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4 applications representing 50% of the beds in the state or  
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-End-

1 *Curtiss* *Thorne* *H* BILL NO. *570*  
 2 INTRODUCED BY *Madame Rasmussen* *Patricia Davis*  
 3 *Virginia Rayson* *Walter Doy* *William* *Ellen*  
 4 *Chick* *Stubb* *Robert* *Lynch* *League*  
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 8 LIABILITY CLAIMS RESULTING FROM THE RENDERING OF OR FAILURE  
 9 TO RENDER PROFESSIONAL SERVICES BY HEALTH CARE PROVIDERS OR  
 10 OTHER PROFESSIONALS OF THE UNITED STATES." *Mark* *Volusia*  
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: *Jensen*  
 12 *Junoy*  
 13 *Quilley*

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 9 foreign, or alien, for the purpose of protecting themselves  
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 11 claim arising out of a breach of contract, pecuniary or  
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-End-