

1 *Senate* BILL NO. *305*  
 2 INTRODUCED BY *Lee Neely Peterson & Scott McHenry*  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION  
 5 40-3310, R.C.M. 1947, TO DELETE RESTRICTIONS ON NONRESIDENT  
 6 PARTICIPATION IN STATE LICENSED INSURANCE FIRMS AND TO  
 7 PERMIT FOREIGN INSURANCE FIRMS TO CONDUCT BUSINESS IN  
 8 MONTANA."

9  
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 40-3310, R.C.M. 1947, is amended to  
 12 read as follows:

13 "40-3310. Licensing of firms and corporations. (1) A  
 14 firm or corporation shall be licensed only as an agent. If a  
 15 firm, each general partner and each other individual to act  
 16 for the firm under the license, and if a corporation, each  
 17 individual to act for the corporation under the license,  
 18 shall be named in the license and shall qualify therefor as  
 19 though an individual licensee. The commissioner shall charge  
 20 and the licensee shall pay a full additional license fee as  
 21 to each respective individual so named in such license in  
 22 excess of two.

23 ~~(2) A nonresident of Montana shall not be named in~~  
 24 ~~such license and shall not have the right to exercise the~~  
 25 ~~license powers.~~

1 ~~(3) A license shall not be issued to a firm or~~  
 2 ~~corporation unless organized under the laws of this state~~  
 3 ~~and maintaining its principal place of business in this~~  
 4 ~~state, and unless the transaction of business under the~~  
 5 ~~license is within the purposes stated in the firm's~~  
 6 ~~partnership agreement or the corporation's articles.~~

7 (4)(2) The licensee shall promptly notify the  
 8 commissioner of all changes among its members, directors,  
 9 and officers and of any other individual designated in the  
 10 license."

-End-

Approved by Committee  
on Business and Industry

1                   SENATE BILL NO. 305  
2       INTRODUCED BY LEE, HEALY, PETERSON, R. SMITH, MEHRENS  
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4       A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION  
5       40-3310, R.C.M. 1947, TO DELETE RESTRICTIONS ON NONRESIDENT  
6       PARTICIPATION IN STATE LICENSED INSURANCE FIRMS AND TO  
7       PERMIT FOREIGN INSURANCE FIRMS TO CONDUCT BUSINESS IN  
8       MONTANA."  
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10      BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
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12      read as follows:  
13      "40-3310. Licensing of firms and corporations. (1) A  
14      firm or corporation shall be licensed only as an agent. If a  
15      firm, each general partner and each other individual to act  
16      for the firm under the license, and if a corporation, each  
17      individual to act for the corporation under the license,  
18      shall be named in the license and shall qualify therefor as  
19      though an individual licensee. The commissioner shall charge  
20      and the licensee shall pay a full additional license fee as  
21      to each respective individual so named in such license in  
22      excess of two.  
23      ~~(2) A nonresident of Montana shall not be named in~~  
24      ~~such license and shall not have the right to exercise the~~  
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1                   ~~(3) A license shall not be issued to a firm or~~  
2                   ~~corporation unless organized under the laws of this state~~  
3                   ~~and maintaining its principal place of business in this~~  
4                   ~~state and unless the transaction of business under the~~  
5                   ~~license is within the purposes stated in the firm's~~  
6                   ~~partnership agreement or the corporation's articles. (2) A~~  
7                   ~~LICENSE MAY NOT BE ISSUED TO A FIRM OR CORPORATION UNLESS~~  
8                   ~~THE TRANSACTION OF BUSINESS UNDER THE LICENSE IS WITHIN THE~~  
9                   ~~PURPOSES STATED IN THE FIRM'S PARTNERSHIP AGREEMENT OR THE~~  
10                   ~~CORPORATION'S ARTICLES.~~  
11                   ~~(4)(2)(3)~~ The licensee shall promptly notify the  
12                   commissioner of all changes among its members, directors,  
13                   and officers and of any other individual designated in the  
14                   license."

-End-

## SENATE BILL NO. 305

INTRODUCED BY LEE, HEALY, PETERSON, R. SMITH, MEHRENS

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 40-3310, R.C.M. 1947, TO DELETE RESTRICTIONS ON NONRESIDENT PARTICIPATION IN STATE LICENSED INSURANCE FIRMS AND TO PERMIT FOREIGN INSURANCE FIRMS TO CONDUCT BUSINESS IN MONTANA."

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

Section 1. Section 40-3310, R.C.M. 1947, is amended to read as follows:

"40-3310. Licensing of firms and corporations. (1) A firm or corporation shall be licensed only as an agent. If a firm, each general partner and each other individual to act for the firm under the license, and if a corporation, each individual to act for the corporation under the license, shall be named in the license and shall qualify therefor as though an individual licensee. The commissioner shall charge and the licensee shall pay a full additional license fee as to each respective individual so named in such license in excess of two. THE COMMISSIONER SHALL REQUIRE THAT EACH FOREIGN FIRM OR CORPORATION WHICH IS LICENSED PURSUANT TO THIS SECTION SHALL ANNUALLY FILE WITH THE COMMISSIONER A REPORT OF ALL PREMIUMS RECEIVED FROM INSURANCE CONTRACTS

WRITTEN ON RISKS LOCATED WITHIN THIS STATE FOR THE PURPOSE OF DETERMINING THE PREMIUM TAX AND CORPORATE LICENSE TAXES, IF ANY, PAYABLE BY SUCH FOREIGN CORPORATION. ANY CORPORATION WHICH FAILS TO FILE SUCH A REPORT OR FAILS TO PAY THE PREMIUM TAXES AND CORPORATE LICENSE TAXES REQUIRED BY THE LAWS OF THIS STATE SHALL BE INELIGIBLE FOR LICENSING UNDER THIS SECTION. IN ADDITION, THIS SECTION SHALL AUTHORIZE LICENSING ONLY OF THOSE FOREIGN FIRMS OR CORPORATIONS WHOSE STATE OF DOMICILE GRANTS IDENTICAL RECIPROCAL PRIVILEGES TO CORPORATIONS DULY LICENSED AND DOMICILED IN MONTANA.

~~(2) A nonresident of Montana shall not be named in such license and shall not have the right to exercise the license powers.~~

~~(3) A license shall not be issued to a firm or corporation unless organized under the laws of this state and maintaining its principal place of business in this state, and unless the transaction of business under the license is within the purposes stated in the firm's partnership agreement or the corporation's articles.~~

(2) A LICENSE MAY NOT BE ISSUED TO A FIRM OR CORPORATION UNLESS THE TRANSACTION OF BUSINESS UNDER THE LICENSE IS WITHIN THE PURPOSES STATED IN THE FIRM'S PARTNERSHIP AGREEMENT OR THE CORPORATION'S ARTICLES.

~~(4)~~(3) The licensee shall promptly notify the

1 commissioner of all changes among its members, directors,  
2 and officers and of any other individual designated in the  
3 license."

-End-

COMMITTEE ON BUSINESS AND INDUSTRY AMENDMENTS TO SENATE BILL NO. 305

1. Amend page 2, section 1, subsection (1), line 11.

Following: "MONTANA."

Insert: "No nonresident firm or corporation may be licensed under this section for the writing of property or casualty insurance."

AS AMENDED

BE NOT CONCURRED IN