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INTRODUCED BY *Senate* BILL NO. *306*
Lee Neely Johnson
P. Smith

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 40-3654, R.C.M. 1947, TO REQUIRE RATES TO BE FILED WITH THE INSURANCE COMMISSIONER; AND TO AMEND SECTION 40-4410, R.C.M. 1947, TO REQUIRE RETENTION BY INSURERS FOR 1 YEAR OF A NOTICE OF CANCELLATION, INTENTION NOT TO RENEW, OR REASONS FOR CANCELLATION OF CERTAIN INSURANCE POLICIES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
Section 1. Section 40-3654, R.C.M. 1947, is amended to read as follows:

"40-3654. Maintenance of records -- ~~necessity-- contents--compliance--with--section--place--of--maintenance rates to be filed.~~ (1) Every insurer, rating organization or advisory organization, and every group, association or other organization of insurers which engages in joint underwriting or joint reinsurance shall maintain reasonable records, of the type and kind reasonably adapted to its method of operation, of its experience or the experience of its members, and of the data, statistics or information collected or used by it in connection with the rates, rating plans, rating systems, underwriting rules, policy or bond forms, surveys or inspections made or used by it, so that

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such records will be available at all reasonable times to enable the commissioner to determine whether such organization, insurer, group or association, and, in the case of an insurer or rating organization, every rate, rating plan and rating system made or used by it, complies with the provisions of this chapter applicable to it. The maintenance of such records in the office of a licensed rating organization of which an insurer is a member or subscriber will be sufficient compliance with this section for any insurer maintaining membership or subscribership in such organization, to the extent that the insurer uses the rates, rating plans, rating systems or underwriting rules of such organization. Such records shall be maintained in an office within this state or shall be made available for examination or inspection within this state by the commissioner at any time upon reasonable notice.

(2) Every insurer shall in addition file with the commissioner all rates that the insurer uses within this state.

Section 2. Section 40-4410, R.C.M. 1947, is amended to read as follows:

"40-4410. Proof Retention and proof of notice. (1) A notice of cancellation or of intention not to renew or of reasons for cancellation of insurance issued under terms of this chapter shall be retained for a period of 3 years by

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1 the insurer in an office within this state, or shall be made
2 available within this state for examination or inspection by
3 the commissioner or his agents at any time upon reasonable
4 notice, or both

5 (2) Proof of mailing of notice of cancellation, or of
6 intention not to renew or of reasons for cancellation, to
7 the named insured at the address shown in the policy or to
8 the named insured's latest known address, shall be
9 sufficient proof of notice."

-End-

SENATE BILL NO. 306

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

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 40-3654, R.C.M. 1947, TO REQUIRE RATES TO BE FILED WITH THE INSURANCE COMMISSIONER; AND TO AMEND SECTION 40-4410, R.C.M. 1947, TO REQUIRE RETENTION BY INSURERS FOR ~~± 3 YEAR~~ YEARS OF A NOTICE OF CANCELLATION, INTENTION NOT TO RENEW, OR REASONS FOR CANCELLATION OF CERTAIN INSURANCE POLICIES."

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

Section 1. Section 40-3654, R.C.M. 1947, is amended to read as follows:

"40-3654. Maintenance of records — ~~necessity— contents—compliance—with—section—place—of—maintenance rates to be filed.~~ (1) Every insurer, rating organization or advisory organization, and every group, association or other organization of insurers which engages in joint underwriting or joint reinsurance shall maintain reasonable records, of the type and kind reasonably adapted to its method of operation, of its experience or the experience of its members, and of the data, statistics or information collected or used by it in connection with the rates, rating plans, rating systems, underwriting rules, policy or bond forms, surveys or inspections made or used by it, so that

such records will be available at all reasonable times to enable the commissioner to determine whether such organization, insurer, group or association, and, in the case of an insurer or rating organization, every rate, rating plan and rating system made or used by it, complies with the provisions of this chapter applicable to it. The maintenance of such records in the office of a licensed rating organization of which an insurer is a member or subscriber will be sufficient compliance with this section for any insurer maintaining membership or subscribership in such organization, to the extent that the insurer uses the rates, rating plans, rating systems or underwriting rules of such organization. Such records shall be maintained in an office within this state or shall be made available for examination or inspection within this state by the commissioner at any time upon reasonable notice.

~~(2) Every insurer shall in addition file with the commissioner all rates that the insurer uses within this state.~~"

Section 2. Section 40-4410, R.C.M. 1947, is amended to read as follows:

"40-4410. Proof Retention and proof of notice. (1) A notice of cancellation or of intention not to renew or of reasons for cancellation of insurance issued under terms of this chapter shall be retained for a period of 3 years by

1 ~~the insurer in an office OR HIS AGENT within this state or~~
2 ~~AND shall be made available within this state for~~
3 ~~examination or inspection by the commissioner or his agents~~
4 ~~at any time WITHIN SUCH 3-YEAR PERIOD upon reasonable~~
5 ~~notice or both.~~

6 (2) Proof of mailing of notice of cancellation, or of
7 intention not to renew or of reasons for cancellation, to
8 the named insured at the address shown in the policy or to
9 the named insured's latest known address, shall be
10 sufficient proof of notice."

-End-

Approved by Committee
on Business and Industry

SENATE BILL NO. 306

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

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 40-3654, R.C.M. 1947, TO REQUIRE RATES TO BE FILED WITH THE INSURANCE COMMISSIONER; AND TO AMEND SECTION 40-4410, R.C.M. 1947, TO REQUIRE RETENTION BY INSURERS FOR ± 3 YEAR OF A NOTICE OF CANCELLATION, INTENTION NOT TO RENEW, OR REASONS FOR CANCELLATION OF CERTAIN INSURANCE POLICIES."

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

Section 1. Section 40-3654, R.C.M. 1947, is amended to read as follows:

"40-3654. Maintenance of records -- ~~necessity-- contents--compliance with section place of-- maintenance rates to be filed.~~ (1) Every insurer, rating organization or advisory organization, and every group, association or other organization of insurers which engages in joint underwriting or joint reinsurance shall maintain reasonable records, of the type and kind reasonably adapted to its method of operation, of its experience or the experience of its members, and of the data, statistics or information collected or used by it in connection with the rates, rating plans, rating systems, underwriting rules, policy or bond forms, surveys or inspections made or used by it, so that

such records will be available at all reasonable times to enable the commissioner to determine whether such organization, insurer, group or association, and, in the case of an insurer or rating organization, every rate, rating plan and rating system made or used by it, complies with the provisions of this chapter applicable to it. The maintenance of such records in the office of a licensed rating organization of which an insurer is a member or subscriber will be sufficient compliance with this section for any insurer maintaining membership or subscribership in such organization, to the extent that the insurer uses the rates, rating plans, rating systems or underwriting rules of such organization. Such records shall be maintained in an office within this state or shall be made available for examination or inspection within this state by the commissioner at any time upon reasonable notice.

(2) Every insurer shall in addition file with the commissioner all rates that the insurer uses within this state."

Section 2. Section 40-4410, R.C.M. 1947, is amended to read as follows:

"40-4410. Proof Retention and proof of notice. (1) A notice of cancellation or of intention not to renew or of reasons for cancellation of insurance issued under terms of this chapter shall be retained for a period of 3 years by

1 ~~the insurer in an office OR HIS AGENT~~ within this state, or
2 shall be made available within this state for examination or
3 inspection by the commissioner or his agents at any time
4 upon reasonable notice, or both.

5 (2) Proof of mailing of notice of cancellation, or of
6 intention not to renew or of reasons for cancellation, to
7 the named insured at the address shown in the policy or to
8 the named insured's latest known address, shall be
9 sufficient proof of notice."

-End-

SENATE BILL NO. 306

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

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 40-3654, R.C.M. 1947, TO REQUIRE RATES TO BE FILED WITH THE INSURANCE COMMISSIONER; AND TO AMEND SECTION 40-4410, R.C.M. 1947, TO REQUIRE RETENTION BY INSURERS FOR ± 3 YEAR OF A NOTICE OF CANCELLATION, INTENTION NOT TO RENEW, OR REASONS FOR CANCELLATION OF CERTAIN INSURANCE POLICIES."

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Section 1. Section 40-3654, R.C.M. 1947, is amended to read as follows:

"40-3654. Maintenance of records -- ~~necessity-- contents--compliance--with--section--place--of--maintenance~~ rates to be filed. (1) Every insurer, rating organization or advisory organization, and every group, association or other organization of insurers which engages in joint underwriting or joint reinsurance shall maintain reasonable records, of the type and kind reasonably adapted to its method of operation, of its experience or the experience of its members, and of the data, statistics or information collected or used by it in connection with the rates, rating plans, rating systems, underwriting rules, policy or bond forms, surveys or inspections made or used by it, so that

such records will be available at all reasonable times to enable the commissioner to determine whether such organization, insurer, group or association, and, in the case of an insurer or rating organization, every rate, rating plan and rating system made or used by it, complies with the provisions of this chapter applicable to it. The maintenance of such records in the office of a licensed rating organization of which an insurer is a member or subscriber will be sufficient compliance with this section for any insurer maintaining membership or subscribership in such organization, to the extent that the insurer uses the rates, rating plans, rating systems or underwriting rules of such organization. Such records shall be maintained in an office within this state or shall be made available for examination or inspection within this state by the commissioner at any time upon reasonable notice.

(2) Every insurer shall in addition file with the commissioner all rates that the insurer uses within this state."

Section 2. Section 40-4410, R.C.M. 1947, is amended to read as follows:

"40-4410. Proof Retention and proof of notice. (1) A notice of cancellation or of intention not to renew or of reasons for cancellation of insurance issued under terms of this chapter shall be retained for a period of 3 years by

1 ~~the insurer in an office OR HIS AGENT~~ within this state, or
2 shall be made available within this state for examination or
3 inspection by the commissioner or his agents at any time
4 upon reasonable notice, or both.

5 (2) Proof of mailing of notice of cancellation, or of
6 intention not to renew or of reasons for cancellation, to
7 the named insured at the address shown in the policy or to
8 the named insured's latest known address, shall be
9 sufficient proof of notice."

-End-

COMMITTEE ON BUSINESS AND INDUSTRY AMENDMENTS TO SENATE BILL NO. 306

1. Amend title, line 7.

Following: "3"

Strike: "YEAR"

Insert: "YEARS"

2. Amend page 3, section 2, subsection (1), line 1.

Following: "insurer"

Strike: "in an"

Following: "state"

Strike: ", or"

Insert: "and"

3. Amend page 3, section 2, subsection (1), line 3.

Following: "time"

Insert: "within such 3-year period"

4. Amend page 3, section 2, subsection (1), line 4.

Following: "notice"

Strike: ", or both"

AS AMENDED

BE CONCURRED IN

1 SENATE BILL NO. 306

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

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION
5 40-3654, R.C.M. 1947, TO REQUIRE RATES TO BE FILED WITH THE
6 INSURANCE COMMISSIONER; AND TO AMEND SECTION 40-4410, R.C.M.
7 1947, TO REQUIRE RETENTION BY INSURERS FOR ~~± 3~~ YEAR YEARS OF
8 A NOTICE OF CANCELLATION, INTENTION NOT TO RENEW, OR REASONS
9 FOR CANCELLATION OF CERTAIN INSURANCE POLICIES."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:12 Section 1. Section 40-3654, R.C.M. 1947, is amended to
13 read as follows:

14 ~~"40-3654. Maintenance of records -- necessity--~~
15 ~~contents--compliance-with-section--place-of--maintenance~~
16 ~~rates to be filed. (1) Every insurer, rating organization or~~
17 ~~advisory organization, and every group, association or other~~
18 ~~organization of insurers which engages in joint underwriting~~
19 ~~or joint reinsurance shall maintain reasonable records, of~~
20 ~~the type and kind reasonably adapted to its method of~~
21 ~~operation, of its experience or the experience of its~~
22 ~~members, and of the data, statistics or information~~
23 ~~collected or used by it in connection with the rates, rating~~
24 ~~plans, rating systems, underwriting rules, policy or bond~~
25 ~~forms, surveys or inspections made or used by it, so that~~

1 such records will be available at all reasonable times to
2 enable the commissioner to determine whether such
3 organization, insurer, group or association, and, in the
4 case of an insurer or rating organization, every rate,
5 rating plan and rating system made or used by it, complies
6 with the provisions of this chapter applicable to it. The
7 maintenance of such records in the office of a licensed
8 rating organization of which an insurer is a member or
9 subscriber will be sufficient compliance with this section
10 for any insurer maintaining membership or subscribership in
11 such organization, to the extent that the insurer uses the
12 rates, rating plans, rating systems or underwriting rules of
13 such organization. Such records shall be maintained in an
14 office within this state or shall be made available for
15 examination or inspection within this state by the
16 commissioner at any time upon reasonable notice.

17 ~~(2) Every insurer shall in addition file with the~~
18 ~~commissioner all rates that the insurer uses within this~~
19 ~~state."~~

20 Section 2. Section 40-4410, R.C.M. 1947, is amended to
21 read as follows:

22 ~~"40-4410. Proof Retention and proof of notice. (1) A~~
23 ~~notice of cancellation or of intention not to renew or of~~
24 ~~reasons for cancellation of insurance issued under terms of~~
25 ~~this chapter shall be retained for a period of 3 years by~~

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1 ~~the insurer in an office OR HIS AGENT~~ within this state ~~or~~
2 ~~AND~~ shall be made available within this state for
3 examination or inspection by the commissioner or his agents
4 at any time ~~WITHIN SUCH 3-YEAR PERIOD~~ upon reasonable
5 notice ~~or both.~~

6 (2) Proof of mailing of notice of cancellation, or of
7 intention not to renew or of reasons for cancellation, to
8 the named insured at the address shown in the policy or to
9 the named insured's latest known address, shall be
10 sufficient proof of notice."

-End-