

Senate BILL NO. *383*
 INTRODUCED BY *Thurmond*

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 40-3010, R.C.M. 1947, TO PROVIDE FOR A MANDATORY RESERVE FOR TITLE INSURANCE COMPANIES AND FOR A METHOD OF AMORTIZING THE RESERVE."

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

Section 1. Section 40-3010, R.C.M. 1947, is amended to read as follows:

"40-3010. Title insurance reserves. (1) In addition to an adequate reserve as to outstanding losses as required under section 40-3004, a title insurer shall maintain a guaranty fund or unearned premium reserve of not less than an amount computed as follows:

~~(1)(a)~~ Ten per cent (10%) of the total amount of the risk premiums written in the calendar year for title insurance contracts shall be assigned originally to the reserve.

~~(2)(b)~~ During each of the twenty (20) years next following the year in which the title insurance contract was issued, the reserve applicable to the contract ~~may shall~~ be reduced by five per cent (5%) of the original amount of such reserve.

~~(2) The sums herein required to be reserved for unearned premiums on contracts of title insurance shall at all times and for all purposes be considered and constitute unearned portions of the original premiums and shall be held in trust for the benefit of policyholders.~~

~~(3) The reduction of the unearned premium reserve required by subsection (1)(b) of this section shall be made for all title insurance contracts issued after December 31, 1958, with respect to which 10% of the risk premiums have been assigned to the reserve pursuant to subsection (1)(a) of this section. In the event that any title insurer has not in accordance with subsection (1)(b) of this section reduced the amount of its unearned premium reserve by 5% of the amount originally assigned to the reserve pursuant to subsection (1)(a) of this section for years ending after December 31, 1958, and before January 1, 1977, the insurer shall effect such reduction for such prior years during its accounting year which includes December 31, 1976."~~

-End-

Business and Industry

Senate BILL NO. *383*
Thurgood Marshall

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16 an amount computed as follows:

17 ~~(1)(a)~~ Ten per cent (10%) of the total amount of the
18 risk premiums written in the calendar year for title
19 insurance contracts shall be assigned originally to the
20 reserve.

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22 following the year in which the title insurance contract was
23 issued, the reserve applicable to the contract ~~may~~ shall be
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16 ~~December 31, 1958, and before January 1, 1977, the insurer~~
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-End-

Senate BILL NO. *383*
Thurmond Hallibur

1 INTRODUCTION BY _____
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-End-

SENATE BILL NO. 383

INTRODUCED BY TURNAGE, HAZELBAKER

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(1)(b) During each of the twenty (20) years next following the year in which the title insurance contract was issued, the reserve applicable to the contract may shall be reduced by five per cent (5%) of the original amount of such reserve.

(2) The sums herein required to be reserved for unearned premiums on contracts of title insurance shall at all times and for all purposes be considered and constitute unearned portions of the original premiums and shall be held in trust for the benefit of policyholders.

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-End-

REFERENCE BILL