

CHAPTER NO. 238.

SENATE BILL NO. 9

INTRODUCED BY HAZELBAKER

BY REQUEST OF THE COMMISSIONER OF INSURANCE

IN THE SENATE

January 6, 1979	Introduced and referred to Committee on Business and Industry. On motion Senator Hazelbaker was added as author to the prefiled bill.
January 29, 1979	Committee recommend bill do pass and be placed on Consent Calendar. Report adopted.
January 30, 1979	Printed and placed on members' desks.
January 31, 1979	Consent Calendar discussion.
February 1, 1979	Consent Calendar, do pass. Transmitted to second house.

IN THE HOUSE

February 2, 1979	Introduced and referred to Committee on Business and Industry.
March 8, 1979	Committee recommend bill be concurred in and be placed on Consent Calendar. Report adopted.
March 10, 1979	Third reading Consent Calendar concurred in.

IN THE SENATE

March 13, 1979	Returned from second house. Concurred in. Sent to enrolling. Reported correctly enrolled.
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SENATE BILL NO. 9

INTRODUCED BY _____

BY REQUEST OF THE COMMISSIONER OF INSURANCE

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 33-2-111, MCA, RELATING TO DEPOSIT REQUIREMENTS OF INSURERS, BY INCREASING DEPOSIT REQUIREMENTS OF TITLE INSURERS."

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

Section 1. Section 33-2-111, MCA, is amended to read:

"33-2-111. Deposit requirement. (1) An insurer shall not be authorized to transact insurance in this state unless it makes and thereafter maintains in trust in this state through the commissioner for the protection of all its policyholders or of all its policyholders and creditors a deposit of cash or securities eligible for deposit under 33-2-603 in an amount not less than the minimum paid-in capital stock (if a stock insurer) or minimum surplus (if a mutual or reciprocal insurer), other than special surplus, required to be maintained for authority to transact the kinds of insurance to be transacted, except as to:

(a) title insurers, the deposit shall be in the amount of ~~\$50,000~~ \$100,000;

(b) foreign insurers, in lieu of such deposit or part thereof in this state, the commissioner shall accept the

certificate in proper form of the public official having supervision over insurers in any other state to the effect that a like deposit or part thereof by such insurer is being maintained in public custody therein in trust for the purpose, among other reasonable purposes of protection of policyholders and/or creditors, of the protection of all its policyholders or policyholders and creditors in Montana;

(c) alien insurers, in lieu of such deposit or part thereof in this state, the commissioner shall accept evidence satisfactory to him that the insurer maintains within the United States by way of trust deposits with public depositories or in trust institutions approved by the commissioner assets available for discharge of its United States insurance obligations which assets shall be in amount not less than the outstanding liabilities of the insurer arising out of its insurance transactions in the United States, together with the larger of the following sums:

(i) the largest deposit required by this code to be made by foreign insurers transacting like kinds of insurance; or

(ii) \$300,000.

(2) Deposits of foreign or alien insurers in another state shall be in cash and/or securities of substantially the same quality as those eligible for deposit in this state under 33-2-603.

1 (3) Deposits of reserves by domestic life insurers
2 shall be made as provided in 33-2-531.

3 (4) Deposits made in this state shall further be
4 subject to the provisions of part 6 of this chapter."

-End-

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 2 INTRODUCTION BY Heidi
 3 BY REQUEST OF THE COMMISSIONER OF INSURANCE

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 6 33-2-111, MCA, RELATING TO DEPOSIT REQUIREMENTS OF INSURERS,
 7 BY INCREASING DEPOSIT REQUIREMENTS OF TITLE INSURERS."

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 12 not be authorized to transact insurance in this state unless
 13 it makes and thereafter maintains in trust in this state
 14 through the commissioner for the protection of all its
 15 policyholders or of all its policyholders and creditors a
 16 deposit of cash or securities eligible for deposit under
 17 33-2-603 in an amount not less than the minimum paid-in
 18 capital stock (if a stock insurer) or minimum surplus (if a
 19 mutual or reciprocal insurer), other than special surplus,
 20 required to be maintained for authority to transact the
 21 kinds of insurance to be transacted, except as to:

22 (a) title insurers, the deposit shall be in the amount
 23 of ~~\$50,000~~ \$100,000;

24 (b) foreign insurers, in lieu of such deposit or part
 25 thereof in this state, the commissioner shall accept the

1 certificate in proper form of the public official having
 2 supervision over insurers in any other state to the effect
 3 that a like deposit or part thereof by such insurer is being
 4 maintained in public custody therein in trust for the
 5 purpose, among other reasonable purposes of protection of
 6 policyholders and/or creditors, of the protection of all its
 7 policyholders or policyholders and creditors in Montana;

8 (c) alien insurers, in lieu of such deposit or part
 9 thereof in this state, the commissioner shall accept
 10 evidence satisfactory to him that the insurer maintains
 11 within the United States by way of trust deposits with
 12 public depositories or in trust institutions approved by the
 13 commissioner assets available for discharge of its United
 14 States insurance obligations which assets shall be in amount
 15 not less than the outstanding liabilities of the insurer
 16 arising out of its insurance transactions in the United
 17 States, together with the larger of the following sums:

18 (i) the largest deposit required by this code to be
 19 made by foreign insurers transacting like kinds of
 20 insurance; or

21 (ii) \$300,000.

22 (2) Deposits of foreign or alien insurers in another
 23 state shall be in cash and/or securities of substantially
 24 the same quality as those eligible for deposit in this state
 25 under 33-2-603.

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1 (3) Deposits of reserves by domestic life insurers
2 shall be made as provided in 33-2-531.
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4 subject to the provisions of part 6 of this chapter."

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15 policyholders or of all its policyholders and creditors a
16 deposit of cash or securities eligible for deposit under
17 33-2-603 in an amount not less than the minimum paid-in
18 capital stock (if a stock insurer) or minimum surplus (if a
19 mutual or reciprocal insurer), other than special surplus,
20 required to be maintained for authority to transact the
21 kinds of insurance to be transacted, except as to:

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23 of ~~\$50,000~~ \$100,000;

24 (b) foreign insurers, in lieu of such deposit or part
25 thereof in this state, the commissioner shall accept the

1 certificate in proper form of the public official having
2 supervision over insurers in any other state to the effect
3 that a like deposit or part thereof by such insurer is being
4 maintained in public custody therein in trust for the
5 purpose, among other reasonable purposes of protection of
6 policyholders and/or creditors, of the protection of all its
7 policyholders or policyholders and creditors in Montana;

8 (c) alien insurers, in lieu of such deposit or part
9 thereof in this state, the commissioner shall accept
10 evidence satisfactory to him that the insurer maintains
11 within the United States by way of trust deposits with
12 public depositories or in trust institutions approved by the
13 commissioner assets available for discharge of its United
14 States insurance obligations which assets shall be in amount
15 not less than the outstanding liabilities of the insurer
16 arising out of its insurance transactions in the United
17 States, together with the larger of the following sums:

18 (i) the largest deposit required by this code to be
19 made by foreign insurers transacting like kinds of
20 insurance; or

21 (ii) \$300,000.

22 (2) Deposits of foreign or alien insurers in another
23 state shall be in cash and/or securities of substantially
24 the same quality as those eligible for deposit in this state
25 under 33-2-603.

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2 shall be made as provided in 33-2-531.
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4 subject to the provisions of part 6 of this chapter."

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