

CHAPTER NO. 193.

SENATE BILL NO. 101

INTRODUCED BY HAZELBAKER

BY REQUEST OF THE CODE COMMISSIONER

IN THE SENATE

January 15, 1979

Introduced and referred to
Committee on Business and
Industry.

January 30, 1979

Committee recommend bill
do pass as amended.
Report adopted.

February 1, 1979

Printed and placed on
members' desks.

February 2, 1979

Second reading, do pass.

February 3, 1979

Considered correctly engrossed.

February 5, 1979

Third reading, passed.
Transmitted to second house.

IN THE HOUSE

February 6, 1979

Introduced and referred to
Committee on Business and
Industry.

March 5, 1979

Committee recommend bill
be concurred in and be
placed on Consent Calendar.
Report adopted.

March 7, 1979

Third reading Consent Calendar concurred in.

IN THE SENATE

March 9, 1979

Returned from second house.
Concurred in. Sent to enrolling.

Reported correctly enrolled.

1 Senate BILL NO. 101
2 INTRODUCED BY Tom Harker
3 BY REQUEST OF THE CODE COMMISSIONER

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
6 CLARIFY THE LAWS RELATING TO INSURANCE AND INSURANCE
7 COMPANIES; AND REPEALING SECTION 40-1723, R.M.C. 1947."

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

10 Section 1. Section 33-1-201, MCA, is amended to read:

11 "33-1-201. Definitions — insurance in general. For

12 the purposes of this code, the following definitions apply

13 unless the context requires otherwise:

14 (1) An "alien insurer" is one formed under the laws of
15 any country other than the United States of America, its
16 states, districts, territories, and commonwealths.

17 (2) An "authorized insurer" is one duly authorized by
18 subsisting certificate of authority issued by the
19 commissioner to transact insurance in this state.

(3) A "domestic insurer" is one formed under the laws of this state.

22 (4) A "foreign insurer" is one formed under the laws
23 of any jurisdiction other than this state. Except where
24 distinguished by context, foreign insurer includes also an
25 alien insurer.

1 (5) "Insurance" is a contract whereby one undertakes
2 to indemnify another or pay or provide a specified or
3 determinable amount or benefit upon determinable
4 contingencies.

5 (6) "Insurer" includes every person engaged as
6 indemnitor, surety, or contractor in the business of
7 entering into contracts of insurance.

8 (7) "State", when used as to jurisdiction, means a
9 state, the District of Columbia, or a territory,
10 commonwealth, or possession of the United States of America.

11 (8) "Transact", with respect to insurance, includes
12 any of the following:

13 (a) solicitation and inducement;
14 (b) preliminary negotiations;
15 (c) effectuation of a contract of insurance;
16 (d) transaction of matters subsequent to effectuation
17 of the contract of insurance and arising out of it.

18 (9) An "unauthorized insurer" is one not authorized by
19 subsisting certificate of authority issued by the
20 commissioner to transact insurance in this state."

21 Section 2. Section 33-1-202, MCA, is amended to read:

22 *33-1-202. Definitions -- entities. For the purposes
23 of this code, the following definitions apply unless the
24 context requires otherwise:

(1) "Commissioner" means the commissioner of insurance

1 of the state of Montana unless--the--context--requires
 2 otherwise.

3 (2) "Department" means the department of insurance of
 4 the state of Montana unless--the--context--requires--otherwise.

5 (3) "Person" includes an individual, insurer, company,
 6 association, organization, Lloyd's, society, reciprocal or
 7 interinsurance exchange, partnership, syndicate, business
 8 trust, corporation, and or any other legal entity."

9 Section 3. Section 33-1-211, MCA, is amended to read:

10 "33-1-211. Surety insurance. Surety insurance
 11 includes:

12 (1) fidelity insurance which is insurance guaranteeing
 13 the fidelity of persons holding positions of public or
 14 private trust;

15 (2) insurance guaranteeing the performance of
 16 contracts, other than insurance policies, and guaranteeing
 17 and executing bonds, undertakings, and contracts of
 18 suretyship;

19 (3) insurance indemnifying banks, bankers, brokers, or
 20 financial or moneyed corporations or associations;

21 ~~lal~~ against check forgery or alteration or against
 22 loss resulting from any cause of bills of exchange, notes,
 23 bonds, securities, evidences of debt, deeds, mortgages,
 24 warehouse receipts, or other valuable papers, documents,
 25 money, precious metals and articles made therefrom, jewelry,

1 watches, necklaces, bracelets, gems, or precious and
 2 semiprecious stones, including any loss while ~~the--same--are~~
 3 being transported in armored motor vehicles, by mail, or by
 4 messenger but not including any other risks of
 5 transportation or navigation; ~~also--insurance~~

6 ~~lal~~ against loss or damage to such--on the insured's
 7 premises or to his furnishings, fixtures, equipment, safes,
 8 and vaults therein caused by burglary, robbery, theft,
 9 ~~vandalism~~ or criminal mischief or any attempt thereat."

10 Section 4. Section 33-1-303, MCA, is amended to read:

11 "33-1-303. Deputies and assistants -- employment,
 12 compensation, and termination. (1) The commissioner shall
 13 appoint a chief deputy insurance commissioner who shall be
 14 in charge of the insurance department under the direction
 15 and control of the commissioner.

16 (2) The commissioner may appoint additional deputy
 17 insurance commissioners for ~~such the purposes as that~~ he may
 18 designate ~~designates~~.

19 (3) The commissioner may employ a competent insurance
 20 actuary to perform actuarial duties, if any, of the
 21 department, to take charge of or assist in the examination
 22 of insurers, and to perform other duties assigned to him.

23 (4) The commissioner may appoint or employ such
 24 examiners to conduct or assist in examinations of insurers
 25 and others provided for under the code, ~~as--may~~ Examiners

1 must be competent, because of experience or special
 2 education or training, to fulfill the responsibilities of an
 3 insurance examiner.

4 (5) The commissioner shall appoint and employ a field
 5 investigator whose primary duty it shall be is, as directed
 6 by the commissioner, to make investigations in this state of
 7 violations or claimed violations of this code.

8 (6) The commissioner may appoint a chief clerk for the
 9 insurance department and employ such other assistants and
 10 clerks as may be necessary to assist him properly to
 11 discharge the duties imposed upon him under this code.

12 (7) The commissioner may at any time terminate the
 13 appointment, designation, or employment of any such deputy,
 14 actuary, chief clerk, or other employee.

15 (8) The commissioner may from time to time contract
 16 for and procure, on a fee or part-time basis, or both, such
 17 actuarial, technical, or other professional services as he
 18 may require for the discharge of his duties.

19 (9) The compensation of ~~et~~---such---personnel---so
 20 appointed---employed---or---contracted---for---by---him the
 21 commissioner's personal staff, as defined in Title 7a
 22 chapter 18, part 1, shall be as fixed by the commissioner
 23 but in the aggregate shall not exceed current funds
 24 appropriated by the legislature to the insurance department
 25 or otherwise currently available for the purpose."

1 Section 5. Section 33-1-315, MCA, is amended to read:
 2 "33-1-315. Witnesses -- production of records --
 3 subpoena -- failure to respond -- perjury. (1) With respect
 4 to the subject of any examination, investigation, or hearing
 5 being conducted by him, the commissioner or his examiner, if
 6 general written authority therefor has been given the
 7 examiner by the commissioner, may subpoena witnesses and
 8 administer oaths or affirmations and examine any individual
 9 under oath and may require and compel the production of
 10 records, books, papers, contracts, and other documents by
 11 attachments, if necessary. If in connection with any
 12 examination of an insurer the commissioner desires to
 13 examine any officer, director, or manager thereof who is
 14 then outside this state, the commissioner is authorized to
 15 may conduct and enforce by all appropriate and available
 16 means any such examination under oath in any other state or
 17 territory of the United States in which such officer,
 18 director, or manager may then presently be, to the full
 19 extent permitted by the laws of such other state or
 20 territory; this special authorization considered.

21 (2) Witness fees and mileage, if claimed, shall be
 22 allowed the same as for testimony in a district court.
 23 Witness fees, mileage, and the actual expenses necessarily
 24 incurred in securing attendance of witnesses and their
 25 testimony shall be itemized and shall be paid by the person

1 being examined if such person is found to have been in
 2 violation of the law as to the matter with respect to which
 3 such witness was subpoenaed or by the person, if other than
 4 the commissioner, at whose request the hearing is held.

5 (3) Subpoenas of witnesses shall be served in the same
 6 manner as if issued from a district court. If any individual
 7 fails to obey a subpoena lawfully served, the commissioner
 8 shall forthwith report such disobedience, together with a
 9 copy of the subpoena and proof of service thereof, to the
 10 district court for the county in which the individual was
 11 required to appear. Such court shall forthwith cause such
 12 individual to be produced and shall impose penalties as
 13 though he had disobeyed a subpoena issued out of such court.

14 (4) Any person ~~willfully knowingly~~ failing to attend,
 15 answer, or produce records, documents, or other evidence
 16 requested by the commissioner or who ~~willfully knowingly~~
 17 fails to give the commissioner full and truthful information
 18 and answer in writing to any material written inquiry of the
 19 commissioner, relative to the subject of any such
 20 examination, investigation, or hearing, or ~~willfully~~
 21 knowingly fails to appear and testify under oath before the
 22 commissioner ~~shall--upon--conviction--thereof--in--addition--to~~
 23 ~~or--in--lieu--of--any--other--penalty--or--penalties--applicable--be~~
 24 ~~deemed~~ is guilty of a misdemeanor and ~~in addition to~~ or ~~in~~
 25 lieu of any other penalty, upon conviction, shall be fined

1 not to exceed \$500 or be imprisoned in the county jail for
 2 a term not to exceed 6 months, or both.

3 (5) Any person ~~willfully knowingly~~ testifying falsely
 4 under oath as to any matter material to any such
 5 examination, investigation, or hearing shall is guilty of
 6 perjury and upon conviction thereof shall be guilty of
 7 perjury and punished accordingly according to 94-7-202."

8 Section 6. Section 33-1-411, MCA, is amended to read:
 9 "33-1-411. Destruction of records -- hindrance of
 10 examination -- penalty. Any director, officer, agent, or
 11 employee of any company who destroys any books, records, or
 12 documents required to be kept by law for the purpose of
 13 hindering any examination in violation of the requirements
 14 of this section 33-1-412 shall be punished by a fine of not
 15 more than \$1,000, ~~and--after~~ After a hearing thereon for
 16 that purpose, the commissioner may revoke the certificate of
 17 authority of such company."

18 Section 7. Section 33-1-704, MCA, is amended to read:
 19 "33-1-704. Hearing procedure. (1) Hearings--may--be
 20 closed--to--the--public--at--the--commissioner's--discretion
 21 except--that--a--hearing--held--with--respect--to--a--fitting--made
 22 under--chapter--26--prior--to--the--effective--date--of--such--fitting
 23 shall--be--closed--to--the--public--unless--otherwise--requested--by
 24 the--party--that--made--such--fitting--in--all--other--cases--a
 25 hearing--shall--be--open--to--the--public--if--so--requested--in

1 writing-by-any-party-to-the-hearing. All hearings shall be
 2 open to the public unless closed pursuant to the provisions
 3 of 2-3-203a

4 (2) The commissioner shall allow any party to the
 5 hearing to appear in person and by counsel, to be present
 6 during the giving of all evidence, to have a reasonable
 7 opportunity to inspect all documentary evidence and to
 8 examine witnesses, to present evidence in support of his
 9 interest, and to have subpoenas issued by the commissioner
 10 to compel attendance of witnesses and production of evidence
 11 in his behalf.

12 (3) The commissioner shall permit to become a party to
 13 the hearing by intervention, if timely, any person who was
 14 not an original party thereto and whose pecuniary interests
 15 are-to will be directly and immediately affected by the
 16 commissioner's order made upon the hearing.

17 (4) Formal rules of pleading or evidence need not be
 18 observed at any hearing.

19 (5) Upon written request seasonably made by a party to
 20 the hearing and at such that person's expense, the
 21 commissioner shall cause a full stenographic record of the
 22 proceedings to be made by a competent reporter. If
 23 transcribed, a copy of such stenographic record shall be
 24 furnished to the commissioner without cost to the
 25 commissioner or the state and shall be a part of the

1 commissioner's record of the hearing. If so transcribed, a
 2 copy of such stenographic record shall be furnished to any
 3 other party to such hearing at the request and expense of
 4 such other party. If no stenographic record is made or
 5 transcribed, the commissioner shall prepare an adequate
 6 record of the evidence and of the proceedings."

7 Section 8. Section 33-2-105, MCA, is amended to read:
 8 "33-2-105. Suits by unauthorized insurers prohibited.
 9 As Except as to transactions not permitted under 33-2-102,
 10 no unauthorized insurer shall institute or file or cause to
 11 be instituted or filed any suit, action, or proceeding in
 12 this state to enforce any right, claim, or demand arising
 13 out of any insurance transaction in this state until such
 14 insurer has obtained a certificate of authority to transact
 15 such insurance in this state."

16 Section 9. Section 33-2-524, MCA, is amended to read:
 17 "33-2-524. Individual and group annuity and pure
 18 endowment contracts — valuation. (1) The minimum standard
 19 for the valuation of all individual annuity and pure
 20 endowment contracts issued on [the operative date of this
 21 section], as defined herein, and for all annuities and pure
 22 endowments purchased on or after that operative date, under
 23 group annuity and pure endowment contracts shall be is the
 24 commissioner's reserve valuation method defined in 33-2-525
 25 and the following tables and interest rates:

1 (a) for individual annuity and pure endowment
 2 contracts issued prior to January 1, 1986, excluding any
 3 disability and accidental death benefits in such contracts,
 4 the 1971 individual annuity mortality table or any
 5 modification of this table approved by the commissioner and
 6 6% interest for single premium immediate annuity contracts
 7 and 4% interest for all other individual annuity and pure
 8 endowment contracts;

9 (b) for individual annuity and pure endowment
 10 contracts issued on or after January 1, 1986, excluding any
 11 disability and accidental death benefits in such contracts,
 12 the 1971 individual annuity mortality table or any
 13 modification of the table approved by the commissioner and
 14 3 1/2% interest;

15 (c) for all annuities and pure endowments purchased
 16 prior to January 1, 1986, under group annuity and pure
 17 endowment contracts, excluding any disability and accidental
 18 death benefits purchased under such contracts, the 1971
 19 group annuity mortality table or any modification of the
 20 table approved by the commissioner and 6% interest;

21 (d) for all annuities and pure endowments purchased on
 22 or after January 1, 1986, under group annuity and pure
 23 endowment contracts, excluding any disability and accidental
 24 death benefits purchased under such contracts, the 1971
 25 group annuity mortality table or any modification of this

1 table approved by the commissioner and 3 1/2% interest.
 2 (2) After March 17, 1973, any insurer may file with
 3 the commissioner a written notice of its election to comply
 4 with the provisions of subsection (1) after a specified date
 5 before January 1, 1979, which shall be the operative date of
 6 subsection (1) for such insurer. An insurer may elect a
 7 different operative date for individual annuity and pure
 8 endowment contracts from that elected for group annuity and
 9 pure endowment contracts. If an insurer makes no such
 10 election, the operative date of this section for such
 11 insurer shall be January 1, 1979."

12 Section 10. Section 33-2-708, MCA, is amended to read:
 13 "33-2-708. Fees and licenses. (1) The commissioner
 14 shall collect in advance and the persons so served shall so
 15 pay to the commissioner the following fees and licenses:
 16 (a) certificates of authority:
 17 (i) for filing applications for original certificate
 18 certificates of authority, articles of incorporation (except
 19 original articles of incorporation of domestic insurers as
 20 provided in subsection (b) below) and other charter
 21 documents, bylaws, financial statement, examination report,
 22 power of attorney to the commissioner, and all other
 23 documents and filings required in connection with such
 24 application and for issuance of an original certificate of
 25 authority, if issued:

1 (A) domestic insurers.....\$ 30.00
 2 (B) foreign insurers.....300.00
 3 (ii) annual continuation of certificate of authority...
 4 300.00
 5 (iii) reinstatement of certificate of authority.. 25.00
 6 (b) articles of incorporation:
 7 (i) filing original articles of incorporation of
 8 domestic insurer, exclusive of fees required to be paid by
 9 the corporation to the secretary of state..... 20.00
 10 (ii) filing amendment of articles of incorporation,
 11 domestic and foreign insurers, exclusive of fees required to
 12 be paid to the secretary of state by a domestic corporation
 13 10.00
 14 (c) filing bylaws or amendment thereto where required
 15 5.00
 16 (d) filing annual statement of insurer, other than as
 17 part of application for original certificate of authority...
 18 25.00
 19 (e) agent's licensee for property, casualty, surety,
 20 and title insurance agents, including disability insurance
 21 without additional license or fee when written by property,
 22 casualty, or surety insurer otherwise represented by the
 23 agent:
 24 (i) application for original license, including
 25 issuance of license, if issued..... 10.00

1 (ii) appointment of agent, each insurer..... 5.00
 2 (iii) annual renewal or appointment of agent, each
 3 insurer..... 5.00
 4 (iv) temporary license..... 10.00
 5 (f) nonresident agent's licensee for property,
 6 casualty, and title insurance agents, and including
 7 disability insurance without additional license or fee when
 8 written by property, casualty, or surety insurer otherwise
 9 represented by the agent:
 10 (i) application for original license, including
 11 issuance of license, if issued..... 100.00
 12 (ii) appointment of agent, each insurer..... 5.00
 13 (iii) annual renewal or appointment of agent, each
 14 insurer..... 100.00
 15 (g) solicitor's licensee:
 16 (i) application for original license, including
 17 issuance of license, if issued..... 5.00
 18 (ii) annual continuation of license..... 5.00
 19 (h) agent's license, life, disability insurance:
 20 (i) application for original license, each insurer....
 21 5.00
 22 (ii) annual continuation or renewal of license, each
 23 insurer..... 5.00
 24 (iii) temporary license, each insurer..... 5.00
 25 (i) nonresident agent's license, life, disability

1 **insurance:**

2 (i) application for original license, including
 3 issuance of license, if issued, each insurer.....100.00
 4 (ii) annual continuation or renewal of license, each
 5 insurer.....100.00
 6 (j) examination for license as agent or solicitor,
 7 each examination 10.00
 8 (k) surplus line agent's license:
 9 (i) application for original license and for issuance
 10 of license, if issued..... 25.00
 11 (ii) annual renewal or continuation of license... 25.00
 12 (l) adjuster's license:
 13 (i) application for original license and for issuance
 14 of license, if issued..... 10.00
 15 (ii) annual continuation or renewal of license... 10.00
 16 (m) insurance vending machine license, each machine,
 17 each year 10.00
 18 (n) commissioner's certificate under seal (except when
 19 on certificates of authority or licenses)..... 3.00
 20 (o) copies of documents on file in the commissioner's
 21 office, per page..... .50
 22 (p) policy forms:
 23 (i) filing each policy form..... 25.00
 24 (ii) filing each application, rider, endorsement,
 25 amendment, insert page, schedule or of rates, and

1 **clarification of risks..... 10.00**
 2 (iii) maximum charge if policy and all forms submitted
 3 at one time or resubmitted for approval within 180 days.....
 4 50.00
 5 (2) The commissioner shall promptly deposit with the
 6 state treasurer to the credit of the general fund of this
 7 state all fees and licenses received by him under this
 8 section.
 9 Section 11. Section 33-2-833, MCA, is amended to read:
 10 "33-2-833. Obligations of home---owners---loan
 11 corporations federal housing administrator and national
 12 mortgage associations. Notwithstanding other provisions of
 13 the law, it shall be is lawful for any insurance company
 14 operating under the laws of this state to invest the funds
 15 or--moneys in their its custody or possession, eligible for
 16 investment, in--bonds-of-the-home-owners--loan--corporations
 17 in debentures issued by the federal housing administrator
 18 and in obligations of national mortgage associations."
 19 Section 12. Section 33-2-1103, MCA, is amended to
 20 read:
 21 "33-2-1103. Additional investment authority --
 22 exemption from other investment restrictions --
 23 determination of qualification -- divestiture. (1) In
 24 addition to investments in common stock, preferred stock,
 25 debt obligations, and other securities permitted under all

1 other sections of parts 10 and 11 of this chapter, a
 2 domestic insurer may also:

3 (a) invest, in common stock, preferred stock, debt
 4 obligations, and other securities of one or more
 5 subsidiaries, amounts which do not exceed the lesser of 5%
 6 of such insurer's assets or 50% of such insurer's surplus as
 7 regards policyholders, provided that after such investments
 8 the insurer's surplus as regards policyholders will be
 9 reasonable in relation to the insurer's outstanding
 10 liabilities and adequate to its financial needs. In
 11 calculating the amount of such investments, there shall be
 12 included total net moneys or other consideration expended
 13 and obligations assumed in the acquisition or formation of a
 14 subsidiary, including all organizational expenses and
 15 contributions to capital and surplus of such subsidiary
 16 whether or not represented by the purchase of capital stock
 17 or issuance of other securities, and all amounts expended in
 18 acquiring additional common stock, preferred stock, debt
 19 obligations, and other securities and all contributions to
 20 the capital or surplus of a subsidiary subsequent to its
 21 acquisition or formation.

22 (b) if the insurer's total liabilities, as calculated
 23 for national association of insurance commissioners annual
 24 statement purposes, are less than 10% of assets, invest any
 25 amount in common stock, preferred stock, debt obligations,

1 and other securities of one or more subsidiaries, provided
 2 that, after such investments the insurer's surplus as
 3 regards policyholders, considering such investment as if it
 4 were a disallowed asset, will be reasonable in relation to
 5 the insurer's outstanding liabilities and adequate to its
 6 financial needs;

7 (c) invest any amount in common stock, preferred
 8 stock, debt obligations, and other securities of one or more
 9 subsidiaries, provided that each such subsidiary agrees to
 10 limit its investments in any asset so that such investments
 11 will not cause the amount of the total investment of the
 12 insurer to exceed any of the investment limitations
 13 specified in this [section]. The total investment of the
 14 insurer shall include:

15 (i) any direct investment by the insurer in an asset;
 16 (ii) the insurer's proportionate share of any
 17 investment in an asset by any subsidiary of the insurer,
 18 which shall be calculated by multiplying the amount of the
 19 subsidiary's investment by the percentage of the insurer's
 20 ownership of such subsidiary.

21 (d) with the approval of the commissioner, invest any
 22 amount in common stock, preferred stock, debt obligations,
 23 or other securities of one or more subsidiaries, provided
 24 that after such investment, the insurer's surplus as regards
 25 policyholders will be reasonable in relation to the

1 insurer's outstanding liabilities and adequate to its
2 financial needs;

3 (e) invest any amount in the common stock, preferred
4 stock, debt obligations, or other securities of any
5 subsidiary exclusively engaged in holding title to or
6 holding title to and managing or developing real or personal
7 property if, after considering as a disallowed asset so much
8 of the investment as is represented by subsidiary assets
9 which if held directly by the insurer would be considered as
10 a disallowed asset, the insurer's surplus as regards
11 policyholders will be reasonable in relation to the
12 insurer's outstanding liabilities and adequate to its
13 financial needs and if following such investment all voting
14 securities of such subsidiary would be owned by the insurer.

15 (2) Investments in common stock, preferred stock, debt
16 obligations, or other securities of subsidiaries made
17 pursuant to subsection (1) hereof shall not be subject
18 to any of the otherwise applicable restrictions or
19 prohibitions contained in parts 10 and 11 of this chapter
20 applicable to such investments of insurers.

21 (3) Whether any investment pursuant to subsection (1)
22 meets the applicable requirements thereof is to be
23 determined immediately after such investment is made, taking
24 into account the then outstanding principal balance on all
25 previous investments in debt obligations and the value of

1 all previous investments in equity securities as of the date
2 they were made.

3 (4) If an insurer ceases to control a subsidiary, it
4 shall dispose of any investment therein made pursuant to
5 this section within 3 years from the time of the cessation
6 of control or within such further time as the commissioner
7 may prescribe, unless at any time after such investment
8 shall have been made, such investment shall have met the
9 requirements for investment under any other section of parts
10 10 and 11 of this chapter and the insurer has notified the
11 commissioner thereof."

12 Section 13. Section 33-3-215, MCA, is amended to read:
13 *33-3-215. Mutualization of stock insurer. (1) A stock
14 insurer other than a title insurer may become a mutual
15 insurer under such a plan and procedure as may be approved
16 by the commissioner after a hearing thereon.

17 (2) The commissioner shall not approve any such plan,
18 procedure, or mutualization unless:

19 (a) it is equitable to stockholders and policyholders;
20 (b) it is subject to approval by the holders of not
21 less than three-fourths of the insurer's outstanding capital
22 stock having voting rights and by not less than two-thirds
23 of the insurer's policyholders who vote on such plan in
24 person, by proxy, or by mail pursuant to such notice and
25 procedure as may be approved by the commissioner;

1 (c) if a life insurer, the right to vote thereon is
 2 limited to holders of policies other than term or group
 3 policies and whose policies have been in force for more than
 4 1 year;

5 (d) mutualization will result in retirement of shares
 6 of the insurer's capital stock at a price not in excess of
 7 the fair market value thereof as determined by competent
 8 disinterested appraisers;

9 (e) the plan provides for the purchase of the shares
 10 of any nonconsenting stockholder in the same manner and
 11 subject to the same applicable conditions as provided by
 12 ~~§5-4905v-RvE-Mv-1947} Title 35, chapter 1, part 8;~~ as to
 13 rights of nonconsenting stockholders, with respect to
 14 consolidation or merger of private corporations;

15 (f) the plan provides for definite conditions to be
 16 fulfilled by a designated early date upon which such
 17 mutualization will be deemed effective; and

18 (g) the mutualization leaves the insurer with surplus
 19 funds reasonably adequate for the security of its
 20 policyholders and to enable it to continue successfully in
 21 business in the states in which it is then authorized to
 22 transact insurance and for the kinds of insurance included
 23 in its certificates of authority in such states.

24 (3) This section shall not apply to mutualization
 25 under order of court pursuant to rehabilitation or

1 reorganization of an insurer under chapter 2, part 9."
 2 Section 14. Section 33-3-217, MCA, is amended to read:
 3 "33-3-217. Mergers and consolidations of stock
 4 insurers. (1) A domestic stock insurer may merge or
 5 consolidate with one or more domestic or foreign stock
 6 corporations authorized to transact business in this state
 7 and by complying with the applicable provisions of the
 8 statutes of this state governing the merger or consolidation
 9 of stock corporations formed for profit but subject to
 10 subsections (2) and (3) below.

11 (2) No such merger or consolidation shall ~~may~~ be
 12 effectuated unless in advance thereof the plan and agreement
 13 therefor have been filed with the commissioner and approved
 14 in writing by him after a hearing thereon. The commissioner
 15 shall give such approval within a reasonable time after such
 16 filing unless he finds such plan or agreement:

17 (a) is contrary to law;
 18 (b) inequitable to the stockholders of any domestic
 19 insurer involved; or
 20 (c) would substantially reduce the security of and
 21 service to be rendered to policyholders of the domestic
 22 insurer in this state or elsewhere.

23 (3) No director, officer, agent, or employee of any
 24 insurer party to such merger or consolidation shall ~~may~~
 25 receive any fee, commission, compensation, or other valuable

1 consideration whatsoever for in any manner aiding,
 2 promoting, or assisting therein except as set forth in such
 3 plan or agreement.

4 (4) If the commissioner does not approve any such plan
 5 or agreement he shall so notify the insurer in writing
 6 specifying his reasons therefor.

7 (5) If any domestic insurer involved in the proposed
 8 merger or consolidation is authorized to transact insurance
 9 also in other states, the commissioner may request the
 10 insurance commissioner, director of insurance,
 11 superintendent of insurance, or other similar public
 12 insurance supervisory official of the two other such states
 13 in which such insurer has in force the larger amounts of
 14 insurance to participate in the hearing provided for under
 15 subsection (2) above, with full right to examine all
 16 witnesses and evidence and to offer to the commissioner such
 17 pertinent information and suggestions as they may deem
 18 proper.

19 (6) Any plan or proposal through which a stock insurer
 20 proposes to acquire a controlling stock interest in another
 21 stock insurer through an exchange of stock of the first
 22 insurer, issued by the insurer for the purpose, for such
 23 controlling stock of the second insurer is deemed to be a
 24 plan or proposal of merger of the second insurer into the
 25 first insurer for the purposes of this section and is

1 subject to the applicable provisions hereof.

2 (7) Upon merger or consolidation of a domestic insurer
 3 with another insurer under this chapter, the corporate
 4 charter of such merged or consolidated domestic insurer
 5 shall ~~therby~~ ~~thereby~~ automatically be extinguished and
 6 nullified."

7 Section 15. Section 33-5-201, MCA, is amended to read:
 8 "33-5-201. Organization of reciprocal insurer. (1)
 9 Twenty-five or more persons domiciled in this state may
 10 organize a domestic reciprocal insurer and make application
 11 to the commissioner for a certificate of authority to
 12 transact insurance.

13 (2) The proposed attorney shall fulfill the
 14 requirements of and shall execute and file with the
 15 commissioner when applying for a certificate of authority a
 16 declaration setting forth:

17 (a) the name of the insurer;
 18 (b) the location of the insurer's principal office,
 19 which shall be the same as that of the attorney and shall be
 20 maintained within this state;
 21 (c) the kinds of insurance proposed to be transacted;
 22 (d) the names and addresses of the original
 23 subscribers;
 24 (e) the designation and appointment of the proposed
 25 attorney and a copy of the power of attorney;

1 (f) the names and addresses of the officers and
 2 directors of the attorney, if a corporation, or its members;
 3 if a firm;

4 (g) the powers of the subscribers' advisory committee
 5 and the names and terms of office of the members thereof;

6 (h) that all moneys paid to the reciprocal [insurer]
 7 shall, after deducting therefrom any sum payable to the
 8 attorney, be held in the name of the insurer and for the
 9 purposes specified in the subscribers' agreement;

10 (i) a copy of the subscribers' agreement;

11 (j) a statement that each of the original subscribers
 12 has in good faith applied for insurance of a kind proposed
 13 to be transacted and that the insurer has received from each
 14 such subscriber the full premium or premium deposit required
 15 for the policy applied for, for a term of not less than 6
 16 months at an adequate rate theretofore filed with and
 17 approved by the commissioner;

18 (k) a statement of the financial condition of the
 19 insurer, a schedule of its assets, and a statement that the
 20 surplus as required by 33-5-401 is on hand; and

21 (l) a copy of each policy, endorsement, and
 22 application form it then proposes to issue or use.

23 (3) Such ~~the~~ declaration shall be acknowledged by the
 24 attorney in the manner required for the acknowledgment of
 25 deeds."

1 Section 16. Section 33-7-514, MCA, is amended to read:
 2 "33-7-514. Standard provisions. (1) After January 1,
 3 1962, no life benefit certificate ~~shall~~ ~~may~~ be delivered or
 4 issued for delivery in this state unless a copy of the form
 5 has been filed with the commissioner.

6 (2) The certificate ~~shall~~ ~~must~~ contain in substance
 7 the following standard provisions or, in lieu thereof,
 8 provisions which are more favorable to the member:

9 (a) title on the face and filing page of the
 10 certificate clearly and correctly describing its form;

11 (b) a provision stating the amount of rates, premiums,
 12 or other required contributions, by whatever name known,
 13 which are payable by the insured under the certificate;

14 (c) a provision that the member is entitled to a grace
 15 period of not less than a full month (or 30 days at the
 16 option of the society) in which the payment of any premium
 17 after the first ~~may~~ be made. During such grace period the
 18 certificate ~~shall~~ ~~must~~ continue in full force, but in case
 19 the certificate becomes a claim during the grace period
 20 before the overdue payment is made, the amount of such
 21 overdue payment or payments may be deducted in any
 22 settlement under the certificate.

23 (d) a provision that the member ~~shall~~ be is entitled
 24 to have the certificate reinstated at any time within 3
 25 years from the due date of the premium in default, unless

1 the certificate has been completely terminated through the
 2 application of a nonforfeiture benefit, cash surrender
 3 value, or certificate loan, upon the production of evidence
 4 of insurability satisfactory to the society and the payment
 5 of all overdue premiums and any other indebtedness to the
 6 society upon the certificate, together with interest on such
 7 premiums and such indebtedness, if any, at a rate not
 8 exceeding 6% per annum compounded annually;

9 (e) except in the case of pure endowment, annuity or
 10 reversionary annuity contracts, reducing term insurance
 11 contracts, or contracts of term insurance of uniform amount
 12 of 15 years or less expiring before age 66, a provision
 13 that, in the event of default in payment of any premium
 14 after 3 full years' premiums have been paid or after
 15 premiums for a lesser period have been paid if the contract
 16 so provides, the society will grant, upon proper request not
 17 later than 60 days after the due date of the premium in
 18 default, a paid-up nonforfeiture benefit on the plan
 19 stipulated in the certificate, effective as of such due
 20 date, of such value as specified in this chapter. The
 21 certificate may provide, if the society's laws so specify or
 22 if the member shall so elect elects prior to the expiration
 23 of the grace period of any overdue premium, that default
 24 shall may not occur so long as premiums can be paid under
 25 the provisions of an arrangement for automatic premium loan

1 as may be set forth in the certificate.
 2 (f) a provision that one paid-up nonforfeiture benefit
 3 as specified in the certificate shall must become effective
 4 automatically unless the member elects another available
 5 paid-up nonforfeiture benefit, not later than 60 days after
 6 the due date of the premium in default;
 7 (g) a statement of the mortality table and rate of
 8 interest used in determining all paid-up nonforfeiture
 9 benefits and cash surrender options available under the
 10 certificate and a brief general statement of the method used
 11 in calculating such benefits;
 12 (h) a table showing in figures the value of every
 13 paid-up nonforfeiture benefit and cash surrender option
 14 available under the certificate for each certificate
 15 anniversary either during the first 20 certificate years or
 16 during the term of the certificate, whichever is shorter;
 17 (i) a provision that the certificate shall be is
 18 incontestable after it has been in force during the lifetime
 19 of the member for a period of 2 years from its date of issue
 20 except for nonpayment of premiums, violation of the
 21 provisions of the certificate relating to military,
 22 aviation, or naval services, and violation of the provisions
 23 relating to suspension or expulsion as substantially set
 24 forth in the certificate. At the option of the society,
 25 supplemental provisions relating to benefits in the event of

1 temporary or permanent disability or hospitalization and
 2 provisions which grant additional insurance specifically
 3 against death by accident or accidental means may also be
 4 excepted. The certificate ~~shall-be~~ is incontestable on the
 5 grounds of suicide after it has been in force during the
 6 lifetime of the member for a period of 2 years from date of
 7 issue. The certificate may provide, as to statements made to
 8 procure reinstatement, that the society ~~shall-have~~ has the
 9 right to contest a reinstated certificate within a period of
 10 2 years from date of reinstatement with the same exceptions
 11 as herein provided.

12 (j) a provision that in case the age of the member or
 13 of any other person is considered in determining the premium
 14 and it is found at any time before final settlement under
 15 the certificate that the age has been misstated, and the
 16 discrepancy and premium involved have not been adjusted, the
 17 amount payable shall be such as the premium would have
 18 purchased at the correct age; but if the correct age was not
 19 an insurable age under the society's charter or laws, only
 20 the premiums paid to the society, less any payments
 21 previously made to the member, shall be returned or, at the
 22 option of the society, the amount payable under the
 23 certificate shall be such as the premium would have
 24 purchased at the correct age according to the society's
 25 promulgated rates and any extension thereof based on

1 actuarial principles;
 2 (k) a provision or provisions which recite fully or
 3 which set forth the substance of all sections of the
 4 charter, constitution, laws, or rules of the society in
 5 force at the time of issuance of the certificate, the
 6 violation of which will result in the termination of or in
 7 the reduction of the benefit or benefits payable under the
 8 certificate; and

9 (l) if the constitution or laws of the society provide
 10 for expulsion or suspension of a member, a provision that
 11 any member so expelled or suspended, except for nonpayment
 12 of a premium or within the contestable period for material
 13 misrepresentations in such member's application for
 14 membership, shall have the privilege of maintaining his
 15 insurance in force by continuing payment of the required
 16 premium.

17 (3) Any of the foregoing provisions or portions
 18 thereof not applicable by reason of the plan of insurance or
 19 because the certificate is an annuity certificate may, to
 20 the extent inapplicable, be omitted from the certificate."

21 Section 17. Section 33-10-217, MCA, is amended to
 22 read:

23 "33-10-217. Prevention of impairments. To aid in the
 24 detection and prevention of insurer impairments the board of
 25 directors is given the following powers and duties:

1 (1) The board of--directors shall, upon majority vote,
 2 notify the commissioner of any information indicating any
 3 member insurer may be unable or potentially unable to
 4 fulfill its contractual obligations.

5 (2) The board of--directors may, upon majority vote,
 6 request that the commissioner order an examination of any
 7 member insurer which the board in good faith believes may be
 8 unable or potentially unable to fulfill its contractual
 9 obligations.

10 (3) The board of--directors may, upon majority vote,
 11 make reports and recommendations to the commissioner upon
 12 any matter germane to the solvency, liquidations
 13 rehabilitation, or conservation of any member insurer. Such
 14 reports and recommendations shall not be considered public
 15 documents.

16 (4) The board of--directors may, upon majority vote,
 17 make recommendations to the commissioner for the detection
 18 and prevention of insurer impairments.

19 (5) The board of--directors shall, at the conclusion of
 20 any insurer impairment in which the association carried out
 21 its duties under this part or exercised any of its powers
 22 under this part, prepare a report on the history and causes
 23 of such impairment, based on the information available to
 24 the association, and submit such report to the
 25 commissioner.*

1 Section 18. Section 33-10-229, MCA, is amended to
 2 read:

3 "33-10-229. Recovery of dividends. (1) If an order for
 4 liquidation or rehabilitation of an insurer domiciled in
 5 this state has been entered, the receiver appointed under
 6 such order shall--have has a right to recover on behalf of
 7 the insurer, from any affiliate that controlled it, the
 8 amount of distributions, other than stock dividends paid by
 9 the insurer on its capital stock, made at any time during
 10 the 5 years preceding the petition for liquidation or
 11 rehabilitation subject to the limitations of subsections (2)
 12 through (4).

13 (2) No such dividend shall--be is recoverable if the
 14 insurer shows that when paid the distribution was lawful and
 15 reasonable and that the insurer did not know and could not
 16 reasonably have known that the distribution might adversely
 17 affect the ability of the insurer to fulfill its contractual
 18 obligations.

19 (3) Any person who es was an affiliate that controlled
 20 the insurer at the time the distributions were paid shall--be
 21 is liable up to the amount of distributions he received.
 22 Any person who was an affiliate that controlled the insurer
 23 at the time the distributions were declared shall--be is
 24 liable up to the amount of distributions he would have
 25 received if they had been paid immediately. If two persons

1 are liable with respect to the same distributions, they
 2 ~~shall-be~~ are jointly and severally liable.

3 (4) The maximum amount recoverable under this section
 4 ~~shall-be~~ is the amount needed in excess of all other
 5 available assets of the impaired insurer to pay the
 6 contractual obligations of the impaired insurer.

7 (5) If any person liable under subsection (3) is
 8 insolvent, all its affiliates that controlled it at the time
 9 the dividend was paid ~~shall-be~~ are jointly and severally
 10 liable for any resulting deficiency in the amount recovered
 11 from the insolvent affiliate.

12 Section 19. Section 33-17-203, MCA, is amended to
 13 read:

14 "33-17-203. General qualification for license as life
 15 or disability insurance agent. For the protection of the
 16 people of this state the commissioner ~~shall~~ may not issue,
 17 continue, or permit to exist any agent license as to life or
 18 disability insurance except in compliance with this chapter
 19 or-as-to-any in addition, the individual not-qualified
 20 therefor must qualify as follows:

21 (1) ~~must~~ be 18 years of age or more;

22 (2) ~~must~~ be a resident in and of this state or of
 23 another state if by reciprocal arrangements made by the
 24 commissioner with such other state similar privileges
 25 therein are granted to residents of this state;

1 (3) ~~must~~ have been appointed as such an agent by an
 2 authorized insurer, subject to issuance of the license;

3 (4) ~~must~~ be competent, trustworthy, and of good
 4 reputation;

5 (5) ~~must~~ have had experience or training or be
 6 otherwise adequately qualified in the kind or kinds of
 7 insurance as to which he is to be licensed, and be
 8 reasonably familiar with the provisions of this code
 9 governing his operations as such an agent and with the
 10 provisions of the policies and contracts he proposes to
 11 offer under the license;

12 (6) ~~must~~ pass any written examination for the license
 13 required under this chapter;

14 (7) ~~must~~ not use or intend to use the license
 15 principally for the writing of insurance on the lives or
 16 interests of himself or his relatives to the second degree;

17 (8) ~~must~~ not be a funeral director, undertaker, or
 18 mortician or an officer, employee, or representative
 19 thereof."

20 Section 20. Section 33-17-211, MCA, is amended to
 21 read:

22 "33-17-211. Application for license. (1) Application
 23 for an agent or solicitor license ~~shall~~ must be made to the
 24 commissioner by the applicant and be signed and sworn to by
 25 the applicant before a notary public or other person

1 authorized by law to take acknowledgments of deeds.

2 (2) The commissioner shall designate and prepare forms
 3 for application for license which shall ~~must~~ require full
 4 answers to such questions as may reasonably be necessary to
 5 determine the applicant's identity, residence, personal
 6 history, business records, experience and training in
 7 insurance, purpose for which the license is to be used, and
 8 other facts as required by the commissioner to determine
 9 whether the applicant meets the applicable qualifications
 10 for the license applied for.

11 (3) If for an agent's license, the application shall
 12 ~~must~~ state the kinds of insurance proposed to be transacted
 13 and be accompanied by written appointment of the applicant
 14 as agent by an authorized insurer, subject to issuance of
 15 the license.

16 (4) If for a solicitor's license, the application
 17 shall ~~must~~ be accompanied by written appointment of
 18 applicant as solicitor by a licensed agent, subject to
 19 issuance of the license.

20 (5) If the applicant for an agent license is a firm or
 21 corporation, the application shall show, in addition, the
 22 names of all members, officers, and directors and shall
 23 designate each individual who is to exercise the powers to
 24 be conferred by the license upon the firm or corporation.
 25 Each such individual so designated shall furnish information

1 as to himself, as part of the application, as though for an
 2 individual license.

3 (6) If the applicant for an agent license is an
 4 agents' association pursuant to 33-17-205, the application
 5 shall ~~must~~ show the names and residence addresses of the
 6 association's officers and trustees.

7 (7) If for license as either agent or solicitor, the
 8 application shall ~~must~~ also show whether applicant was ever
 9 previously licensed to transact any kind of insurance in
 10 this state or elsewhere; whether any such license was ever
 11 refused, suspended, or revoked; whether any insurer, general
 12 agent, or agent, in the case of a solicitor application,
 13 claims applicant to be indebted to it and, if so, the
 14 details thereof and the defenses, if any, of the applicant
 15 thereto; whether applicant ever had an agency contract
 16 canceled and the facts thereof; and if applicant is married,
 17 like information with respect to the applicant's spouse.

18 (8) The commissioner shall require as part of the
 19 application for license the certificate of an officer or
 20 representative of the insurer proposed to be represented, in
 21 the case of applicants for license as agent, or of the
 22 proposed employing agent, in the case of applicants for
 23 license as solicitor, as to whether the applicant is known
 24 to such officer or representative, whether the insurer or
 25 agent has investigated the character and business record of

1 the applicant and the uses to be made of the license, if
 2 granted, and his opinion, based on such investigation, as to
 3 applicant's trustworthiness and competence and whether the
 4 applicant will use the license principally for the purpose
 5 of insuring the applicant's own risks or interests and those
 6 of the applicant's relatives or employer.

7 (3) All such applications shall must be accompanied by
 8 the applicable license fee, appointment of agent fee where
 9 applicable, and examination fee where required under
 10 33-17-212, all in the respective amounts stated in
 11 33-2-708."

12 Section 21. Section 33-17-213, MCA, is amended to
 13 read:

14 "33-17-213. Conduct of examinations. (1) The
 15 commissioner shall make any examination required under
 16 33-17-212 available to applicants with reasonable frequency
 17 and at a place in this state reasonably accessible to such
 18 the applicants. The commissioner shall make any such
 19 examination available at his offices at Helena, Montana, at
 20 times within his discretion but at least once a month.

21 (2) All the kinds of insurance or ~~class~~ classes
 22 thereof, as referred to in 33-17-212(3), which the applicant
 23 proposes to transact under the license applied for shall be
 24 included in the same examination.

25 (3) The commissioner shall give, conduct, and grade

1 all examinations in a fair and impartial manner and without
 2 unfair discrimination as between individuals examined.
 3 (4) The commissioner may require a reasonable waiting
 4 period before reexamination of an applicant who has failed
 5 to pass a previous examination covering the same kind or
 6 kinds of insurance."

7 Section 22. Section 33-17-1004, MCA, is amended to
 8 read:

9 "33-17-1004. Acting as insurance agent, solicitor, or
 10 adjuster without license -- penalty. Any person, firm,
 11 association, or corporation who or which, in this state,
 12 acts as an insurance agent, solicitor, or adjuster without
 13 having authority to do so by virtue of a license issued and
 14 in force pursuant to the provisions of this chapter shall
 15 upon--conviction--be is guilty of a misdemeanor and, upon
 16 conviction, shall be fined \$500 or imprisoned in the county
 17 jail for 90 days or both such-fine-and-imprisonment."

18 Section 23. Section 33-18-301, MCA, is amended to
 19 read:

20 "33-18-301. Prohibited relations with mortuaries. (1)
 21 No life insurer shall may own, manage, supervise, operate,
 22 or maintain any mortuary, funeral, or undertaking
 23 establishment or permit its officers, employees, or
 24 representatives to own, operate, maintain, or be employed in
 25 any such business.

1 (2) No life insurer shall ~~may~~ contract or agree with
 2 any funeral director, mortuary, or undertaker to the effect
 3 that such funeral director, undertaker, or mortuary shall
 4 conduct the funeral of any person insured by such insurer.

5 (3) Each violation of this section shall--constitute
 6 ~~constitutes~~ a misdemeanor punishable by a fine of not more
 7 than \$1,000 or by imprisonment ~~at-hard-labor~~ for not more
 8 than 6 months or ~~by~~ both such fine and imprisonment ~~in-the~~
 9 ~~discretion-of-the-court.~~"

10 Section 24. Section 33-20-213, MCA, is amended to
 11 read:

12 "33-20-213. Operative date. After July 1, 1945, any
 13 insurer could have filed with the state auditor a written
 14 notice of its election to comply with the provisions of this
 15 ~~parts except 33-20-206 and 33-20-207~~, after a specified date
 16 before January 1, 1948, with respect to the policies
 17 specified in the notice. After the filing of such notice,
 18 then upon such specified date (which shall be the operative
 19 date for such insurer with respect to such policies), this
 20 ~~parts except 33-20-206 and 33-20-207~~, shall have become
 21 operative with respect to the policies specified in such
 22 notice thereafter issued by such insurer. As to all of its
 23 policies and contracts with respect to which an insurer
 24 makes no such election, the operative date of this parts
 25 ~~except 33-20-206 and 33-20-207~~, with respect to such

1 policies and contracts for such insurer is January 1, 1948."

2 Section 25. Section 33-20-1111, MCA, is amended to
 3 read:

4 "33-20-1111. Dependents of employee and labor union
 5 groups -- coverage. Any group life policy issued under
 6 33-20-1101, 33-20-1102, or 33-20-1103, may be extended to
 7 insure the employees or members against loss due to the
 8 death of their spouses and minor children, or any class or
 9 classes thereof, subject to the following requirements:

10 (1) The premium for the insurance shall be paid by the
 11 policyholder, either from the employer's or union's funds or
 12 funds contributed by the employer or union or from funds
 13 contributed by the insured employees or members, or from
 14 both. If any part of the premium is to be derived from funds
 15 contributed by the insured employees or members, the
 16 insurance with respect to spouses and children may be placed
 17 in force only if at least 75% of the then eligible employees
 18 or members, excluding any as to whose family members
 19 evidence of insurability is not satisfactory to the insurer,
 20 elect to make the required contribution. If no part of the
 21 premium is to be derived from funds contributed by the
 22 employees or members, all eligible employees or members,
 23 excluding any as to whose family members evidence of
 24 insurability is not satisfactory to the insurer, must be
 25 insured with respect to their spouses and children.

1 (2) The amounts of insurance must be based upon some
 2 plan precluding individual selection either by the employees
 3 or members or by the policyholder, employer, or union.

4 (3) Upon termination of the insurance with respect to
 5 the members of the family of any employee or member by
 6 reason of the employee's or member's termination of
 7 employment, termination of membership in the class or
 8 classes eligible for coverage under the policy, or death,
 9 the spouse ~~shall be~~ is entitled to have issued by the
 10 insurer, without evidence of insurability, an individual
 11 policy of life insurance, without disability or other
 12 supplementary benefits, providing application for the
 13 individual policy shall be made, and the first premium paid
 14 to the insurer, within 31 days after such termination,
 15 subject to the requirements of subsections (1), (2), and (3)
 16 of ~~33-20-1208~~ 33-20-1209. If the group policy terminates
 17 or is amended so as to terminate the insurance of any class
 18 of employees or members and the employee or member is
 19 entitled to have issued an individual policy under
 20 33-20-1210, the spouse ~~shall~~ is also be entitled to have
 21 issued by the insurer an individual policy, subject to the
 22 conditions and limitations provided above. If the spouse
 23 dies within the period during which he would have been
 24 entitled to have an individual policy issued in accordance
 25 with this provision, the amount of life insurance which he

1 would have been entitled to have issued under such
 2 individual policy shall be payable as a claim under the
 3 group policy, whether or not application for the individual
 4 policy or the payment of the first premium therefor has been
 5 made.

6 (4) Notwithstanding ~~33-20-1208~~, only one certificate
 7 need be issued for delivery to an insured person if a
 8 statement concerning any dependent's coverage is included in
 9 such certificate.*

10 Section 26. Section 33-22-202, MCA, is amended to
 11 read:

12 *33-22-202. Required provisions -- captions --
 13 omissions -- substitutions -- order. (1) Except as provided
 14 in subsection (2) below, each such policy delivered or
 15 issued for delivery to any person in this state ~~shall~~ must
 16 contain the provisions specified in 33-22-204 through
 17 33-22-215, in the words in which the same appear, except
 18 that the insurer may, at its option, substitute for one or
 19 more of such provisions corresponding provisions of
 20 different wording approved by the commissioner which are in
 21 each instance not less favorable in any respect to the
 22 insured or the beneficiary. Each such provision ~~shall~~ must
 23 be preceded individually by the applicable caption shown or,
 24 at the option of the insurer, by such appropriate individual
 25 or group captions or subcaptions as the commissioner may

1 approve.

2 (2) If any such provision is in whole or in part
 3 inapplicable to or inconsistent with the coverage provided
 4 by a particular form of policy, the insurer, with the
 5 approval of the commissioner, shall omit from such policy
 6 any inapplicable provision or part of a provision and shall
 7 modify any inconsistent provision or part of a provision in
 8 such manner as to make the provision as contained in the
 9 policy consistent with the coverage provided by the policy.

10 (3) The provisions which are the subject of ~~40-4007~~
 11 ~~to-40-4030; 33-22-204 through 33-22-232~~ or any corresponding
 12 provisions which are used in lieu thereof in accordance with
 13 such sections shall be printed in the consecutive order of
 14 the provisions in such sections or, at the option of the
 15 insurer, any such provision may appear as a unit in any part
 16 of the policy with other provisions to which it may be
 17 logically related, provided that the resulting policy shall
 18 not be in whole or in part unintelligible, uncertain,
 19 ambiguous, abstruse, or likely to mislead a person to whom
 20 the policy is offered, delivered, or issued."

21 Section 27. Section 33-17-216, MCA, is amended to
 22 read:

23 "33-17-216. Temporary agent licenses -- fee. (1) The
 24 commissioner may issue a temporary license as agent to or
 25 with respect to an individual qualified therefor only as to

1 age, residence, and trustworthiness and without requiring
 2 such individual to take an examination, in the following
 3 cases:

4 (a) to the surviving spouse or next of kin or to the
 5 administrator or executor, or the employee of such
 6 administrator or executor, of a licensed agent becoming
 7 deceased upon such agent's death;

8 (b) to the spouse, next of kin, employee, or legal
 9 guardian of a licensed agent disabled by sickness, injury,
 10 or insanity physical or mental illness;

11 (c) to an employee of a firm, or officer or employee
 12 of a corporation, licensed as agent, upon the death or
 13 disability of an individual designated in the license to
 14 exercise the powers thereof;

15 (d) to the designee of a licensed agent entering upon
 16 active service in the armed forces of the United States of
 17 America;

18 (e) upon the request of the insurer, to an applicant
 19 for a license as a life insurance agent, pending the taking
 20 of any examination required of the applicant by the
 21 commissioner under 33-17-212, if the applicant is duly
 22 enrolled in and is actively pursuing an adequate course of
 23 instruction, as provided by or through the insurer, in
 24 preparation for such examination. Such license shall be for
 25 a period of not over 90 days or until the applicant has had

1 a reasonable opportunity to take such examination and be
 2 informed by the commissioner as to the results thereof,
 3 whichever is the shorter period, but subject to extension by
 4 the commissioner as provided in subsection (3) below.

5 (2) The temporary license shall be issued upon
 6 application filed with the commissioner in such form and
 7 containing such information as the commissioner may
 8 reasonably require and upon payment of the applicable fee as
 9 stated in 33-2-708.

10 (3) The temporary license shall be for a period of not
 11 over 90 days, subject to extension by the commissioner in
 12 his discretion for an additional period of not more than 90
 13 days, except that such a license issued pursuant to
 14 subsection (1)(a) above may be continued without payment of
 15 an additional fee until the executor or administrator
 16 disposes of the insurance business but not to exceed a
 17 period of 15 months. ~~Temporary~~ A temporary license issued
 18 to the next of kin under such subsection (1)(a) shall ~~may~~
 19 not be extended for an additional term or--terms after the
 20 appointment and qualification of such an administrator or
 21 executor.

22 (4) The fee paid for the temporary license may be
 23 applied upon the fee required for any a permanent license
 24 issued to the licensee upon or prior to expiration of the
 25 temporary license and covering the same kinds of insurance."

1 Section 28. Section 33-20-121, MCA, is amended to
 2 read:

3 "33-20-121. Prohibited provisions -- limitations on
 4 liability. (1) No policy of life insurance shall ~~may~~ be
 5 delivered or issued for delivery in this state if it
 6 contains any of the following provisions:

7 (a) a provision for a period shorter than that
 8 provided by statute within which an action at law or in
 9 equity may be commenced on ~~such--the~~ the policy;

10 (b) a provision which excludes or restricts liability
 11 for death caused in a certain specified manner or occurring
 12 while the insured has a specified status, except that a
 13 policy may contain provisions excluding or restricting
 14 coverage as specified therein in the event of death under
 15 any one or more of the following circumstances:

16 (i) death as a result, directly or indirectly, of war,
 17 declared or undeclared, or of action by military forces or
 18 of any act or hazard of such war or action or of service in
 19 the military, naval, or air forces or in civilian forces
 20 auxiliary thereto or from any cause while a member of such
 21 military, naval, or air forces of any country at war,
 22 declared or undeclared, or of any country engaged in such
 23 military action;

24 (ii) death as a result of aviation or any air travel or
 25 flight;

1 (iii) death as a result of a specified hazardous
 2 occupation or occupations;

3 (iv) death while the insured is a resident outside the
 4 continental United States and Canada; or

5 (v) death within 2 years from the date of issue of the
 6 policy as a result of suicide, while ~~sane--or--insane~~
 7 seriously mentally ill or otherwise.

8 (2) A policy which contains any exclusion or
 9 restriction pursuant to subsection (1) of this section shall
 10 also provide that in the event of death under the
 11 circumstances to which any such exclusion or restriction is
 12 applicable, the insurer will pay an amount not less than a
 13 reserve determined according to the commissioner's reserve
 14 valuation method upon the basis of the mortality table and
 15 interest rate specified in the policy for the calculation of
 16 nonforfeiture benefits (or if the policy provides for no
 17 such benefits, computed according to a mortality table and
 18 interest rate determined by the insurer and specified in the
 19 policy) with adjustment for indebtedness or dividend credit.

20 (3) This section shall ~~does not apply~~ to industrial
 21 life insurance, group life insurance, disability insurance,
 22 reinsurance, or annuities, or to any provision in a life
 23 insurance policy relating to disability benefits or to
 24 additional benefits in the event of death by accident or
 25 accidental means.

1 (4) Nothing contained in this section shall prohibit
 2 prohibits any provision which in the opinion of the
 3 commissioner is more favorable to the policyholder than a
 4 provision permitted by this section."

5 Section 29. Repealer. Section 40-1723, R.C.M. 1947, is
 6 repealed.

-End-

Approved by Committee
on Business and Industry

1 SENATE BILL NO. 101

2 INTRODUCED BY HAZELBAKER

3 BY REQUEST OF THE CODE COMMISSIONER

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
6 CLARIFY THE LAWS RELATING TO INSURANCE AND INSURANCE
7 COMPANIES; AND REPEALING SECTION 40-1723, R.C.M. 1947."

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

9 Section 1. Section 33-1-201, MCA, is amended to read:
10 "33-1-201. Definitions -- insurance in general. For
11 the purposes of this code, the following definitions apply
12 unless the context requires otherwise:

13 (1) An "alien insurer" is one formed under the laws of
14 any country other than the United States of America, its
15 states, districts, territories, and commonwealths.

16 (2) An "authorized insurer" is one duly authorized by
17 subsisting certificate of authority issued by the
18 commissioner to transact insurance in this state.

19 (3) A "domestic insurer" is one formed under the laws
20 of this state.

21 (4) A "foreign insurer" is one formed under the laws
22 of any jurisdiction other than this state. Except where
23 distinguished by context, foreign insurer includes also an
24 alien insurer.

25 Please retain this copy. Bill will not
be run in its entirety, on third reading.

| unless necessary

1 (5) "Insurance" is a contract whereby one undertakes
2 to indemnify another or pay or provide a specified or
3 determinable amount or benefit upon determinable
4 contingencies.

5 (6) "Insurer" includes every person engaged as
6 indemnitor, surety, or contractor in the business of
7 entering into contracts of insurance.

8 (7) "State", when used as to jurisdiction, means a
9 state, the District of Columbia, or a territory,
10 commonwealth, or possession of the United States of America.

11 (8) "Transact", with respect to insurance, includes
12 any of the following:

13 (a) solicitation and inducement;
14 (b) preliminary negotiations;
15 (c) effectuation of a contract of insurance;
16 (d) transaction of matters subsequent to effectuation
17 of the contract of insurance and arising out of it.

18 (9) An "unauthorized insurer" is one not authorized by
19 subsisting certificate of authority issued by the
20 commissioner to transact insurance in this state."

21 Section 2. Section 33-1-202, MCA, is amended to read:
22 "33-1-202. Definitions -- entities. For the purposes

23 of this code, the following definitions apply unless the
24 context requires otherwise:

25 (1) "Commissioner" means the commissioner of insurance

1 of the state of Montana unless--the--context---requires
2 otherwise.

3 (2) "Department" means the department of insurance of
4 the state of Montana unless--the--context--requires--otherwise.

5 (3) "Person" includes an individual, insurer, company,
6 association, organization, Lloyd's, society, reciprocal or
7 interinsurance exchange, partnership, syndicate, business
8 trust, corporation, and or any other legal entity."

9 Section 3. Section 33-1-211, MCA, is amended to read:
10 "33-1-211. Surety insurance. Surety insurance
11 includes:

12 (1) fidelity insurance which is insurance guaranteeing
13 the fidelity of persons holding positions of public or
14 private trust;

15 (2) insurance guaranteeing the performance of
16 contracts, other than insurance policies, and guaranteeing
17 and executing bonds, undertakings, and contracts of
18 suretyship;

19 (3) insurance indemnifying banks, bankers, brokers, or
20 financial or moneyed corporations or associations

21 *lai* against check forgery or alteration or against
22 loss resulting from any cause of bills of exchange, notes,
23 bonds, securities, evidences of debt, deeds, mortgages,
24 warehouse receipts, or other valuable papers, documents,
25 money, precious metals and articles made therefrom, jewelry,

1 watches, necklaces, bracelets, gems, or precious and
2 semiprecious stones, including any loss while the--same--are
3 being transported in armored motor vehicles, by mail, or by
4 messenger but not including any other risks of
5 transportation or navigation; also--insurance

6 *lai* against loss or damage to such--an ~~the~~ insured's
7 premises or to his furnishings, fixtures, equipment, safes,
8 and vaults therein caused by burglary, robbery, theft,
9 ~~vendettism~~ or criminal mischief or any attempt thereat."

10 Section 4. Section 33-1-303, MCA, is amended to read:
11 "33-1-303. Deputies and assistants -- employment,
12 compensation, and termination. (1) The commissioner shall
13 appoint a chief deputy insurance commissioner who shall be
14 in charge of the insurance department under the direction
15 and control of the commissioner.

16 (2) The commissioner may appoint additional deputy
17 insurance commissioners for such ~~the~~ purposes as that he may
18 designate designates.

19 (3) The commissioner may employ a competent insurance
20 actuary to perform actuarial duties, if any, of the
21 department, to take charge of or assist in the examination
22 of insurers, and to perform other duties assigned to him.

23 (4) The commissioner may appoint or employ such
24 examiners to conduct or assist in examinations of insurers
25 and others provided for under the code, as--may Examiners

1 must be competent, because of experience or special
 2 education or training, to fulfill the responsibilities of an
 3 insurance examiner.

4 (5) The commissioner shall appoint and employ a field
 5 investigator whose primary duty it shall be is, as directed
 6 by the commissioner, to make investigations in this state of
 7 violations or claimed violations of this code.

8 (6) The commissioner may appoint a chief clerk for the
 9 insurance department and employ such other assistants and
 10 clerks as may be necessary to assist him properly to
 11 discharge the duties imposed upon him under this code.

12 (7) The commissioner may at any time terminate the
 13 appointment, designation, or employment of any such deputy,
 14 actuary, chief clerk, or other employee.

15 (8) The commissioner may from time to time contract
 16 for and procure, on a fee or part-time basis, or both, such
 17 actuarial, technical, or other professional services as he
 18 may require for the discharge of his duties.

19 (9) The compensation of ~~et+---such---personnel---go~~
 20 appointed---employed---or---contracted---for---by---him the
 21 commissioner's personnel staff as defined in Title 21
 22 chapter 181 part 11 shall be as fixed by the commissioner
 23 but in the aggregate shall not exceed current funds
 24 appropriated by the legislature to the insurance department
 25 or otherwise currently available for the purpose."

1 Section 5. Section 33-1-315, MCA, is amended to read:
 2 "33-1-315. Witnesses -- production of records --
 3 subpoena -- failure to respond -- perjury. (1) With respect
 4 to the subject of any examination, investigation, or hearing
 5 being conducted by him, the commissioner or his examiner, if
 6 general written authority therefor has been given the
 7 examiner by the commissioner, may subpoena witnesses and
 8 administer oaths or affirmations and examine any individual
 9 under oath and may require and compel the production of
 10 records, books, papers, contracts, and other documents by
 11 attachments, if necessary. If in connection with any
 12 examination of an insurer the commissioner desires to
 13 examine any officer, director, or manager thereof who is
 14 then outside this state, the commissioner is authorized to
 15 conduct and enforce by all appropriate and available
 16 means any such examination under oath in any other state or
 17 territory of the United States in which such officer,
 18 director, or manager may then presently be, to the full
 19 extent permitted by the laws of such other state or
 20 territory, this special authorization considered.

21 (2) Witness fees and mileage, if claimed, shall be
 22 allowed the same as for testimony in a district court.
 23 Witness fees, mileage, and the actual expenses necessarily
 24 incurred in securing attendance of witnesses and their
 25 testimony shall be itemized and shall be paid by the person

1 being examined if such person is found to have been in
 2 violation of the law as to the matter with respect to which
 3 such witness was subpoenaed or by the person, if other than
 4 the commissioner, at whose request the hearing is held.

5 (3) Subpoenas of witnesses shall be served in the same
 6 manner as if issued from a district court. If any individual
 7 fails to obey a subpoena lawfully served, the commissioner
 8 shall forthwith report such disobedience, together with a
 9 copy of the subpoena and proof of service thereof, to the
 10 district court for the county in which the individual was
 11 required to appear. Such court shall forthwith cause such
 12 individual to be produced and shall impose penalties as
 13 though he had disobeyed a subpoena issued out of such court.

14 (4) Any person ~~willfully knowingly~~ failing to attend,
 15 answer, or produce records, documents, or other evidence
 16 requested by the commissioner or who ~~willfully knowingly~~
 17 fails to give the commissioner full and truthful information
 18 and answer in writing to any material written inquiry of the
 19 commissioner, relative to the subject of any such
 20 examination, investigation, or hearing, or ~~willfully~~
 21 ~~knowingly~~ fails to appear and testify under oath before the
 22 commissioner ~~shall--upon-conviction-thereof--in-addition-to~~
~~or-in-lieu-of-any-other-penalty-or-penalties-appealable--be~~
~~deemed is guilty of a misdemeanor and-in-addition-to-or-in~~
~~lieu-of-any-other-penalty--upon-conviction--shall--be--fined~~

1 ~~not-to-exceed-\$500-or-be-imprisoned-in-the-county-jail-for-a~~
 2 ~~term-not-to-exceed-6-months-or-both.~~

3 (5) Any person ~~willfully knowingly~~ testifying falsely
 4 under oath as to any matter material to any such
 5 examination, investigation, or hearing ~~shall be guilty of~~
 6 ~~perjury and upon conviction thereof shall be guilty--of~~
 7 ~~perjury--and punished accordingly according to 24-7-202~~
~~45-7-201."~~

9 Section 6. Section 33-1-411, MCA, is amended to read:
 10 "33-1-411. Destruction of records -- hindrance of
 11 examination -- penalty. Any director, officer, agent, or
 12 employee of any company who ~~FOR THE PURPOSE OF HINDERING ANY~~
~~EXAMINATION CONDUCTED PURSUANT TO THIS PART~~ destroys any
 13 books, records, or documents required to be kept by law for
 14 the purpose of hindering any examination in violation of the
 15 requirements of this section ~~33-1-412~~ shall be punished by a
 16 fine of not more than \$1,000~~a~~ and after a ~~NOTICE AND~~
~~hearing thereon for that purpose IN ACCORDANCE WITH TITLE~~
~~33, CHAPTER 1, PART 1,~~ the commissioner may revoke the
 19 certificate of authority of such company."

21 Section 7. Section 33-1-704, MCA, is amended to read:
 22 "33-1-704. Hearing procedure. (1) Hearings--may--be
 23 closed-to--the--public--at--the--commissioner's--discretion
 24 except--that--a--hearing--held-with-respect-to-a-filing-made
 25 under chapter 16 prior to the effective date of such filing

1 shall be closed to the public unless otherwise requested by
 2 the party that made such fitting in all other cases or a
 3 hearing shall be open to the public if so requested in
 4 writing by any party to the hearing. All hearings shall be
 5 open to the public unless closed pursuant to the provisions
 6 of 2-3-203a.

7 (2) The commissioner shall allow any party to the
 8 hearing to appear in person and by counsel, to be present
 9 during the giving of all evidence, to have a reasonable
 10 opportunity to inspect all documentary evidence and to
 11 examine witnesses, to present evidence in support of his
 12 interest, and to have subpoenas issued by the commissioner
 13 to compel attendance of witnesses and production of evidence
 14 in his behalf.

15 (3) The commissioner shall permit to become a party to
 16 the hearing by intervention, if timely, any person who was
 17 not an original party thereto and whose pecuniary interests
 18 are to will be directly and immediately affected by the
 19 commissioner's order made upon the hearing.

20 (4) Formal rules of pleading or evidence need not be
 21 observed at any hearing.

22 (5) Upon written request seasonably made by a party to
 23 the hearing and at such that person's expense, the
 24 commissioner shall cause a full stenographic record of the
 25 proceedings to be made by a competent reporter. If

1 transcribed, a copy of such stenographic record shall be
 2 furnished to the commissioner without cost to the
 3 commissioner or the state and shall be a part of the
 4 commissioner's record of the hearing. If so transcribed, a
 5 copy of such stenographic record shall be furnished to any
 6 other party to such hearing at the request and expense of
 7 such other party. If no stenographic record is made or
 8 transcribed, the commissioner shall prepare an adequate
 9 record of the evidence and of the proceedings."

10 Section 8. Section 33-2-105, MCA, is amended to read:
 11 "33-2-105. Suits by unauthorized insurers prohibited.
 12 As Except as to transactions not permitted under 33-2-102,
 13 no unauthorized insurer shall institute or file or cause to
 14 be instituted or filed any suit, action, or proceeding in
 15 this state to enforce any right, claim, or demand arising
 16 out of any insurance transaction in this state until such
 17 insurer has obtained a certificate of authority to transact
 18 such insurance in this state."

19 Section 9. Section 33-2-524, MCA, is amended to read:
 20 "33-2-524. Individual and group annuity and pure
 21 endowment contracts -- valuation. (1) The minimum standard
 22 for the valuation of all individual annuity and pure
 23 endowment contracts issued on [the operative date of this
 24 section], as defined herein, and for all annuities and pure
 25 endowments purchased on or after that operative date, under

1 group annuity and pure endowment contracts shall be in the
 2 commissioner's reserve valuation method defined in 33-2-525
 3 and the following tables and interest rates:

4 (a) for individual annuity and pure endowment
 5 contracts issued prior to January 1, 1986, excluding any
 6 disability and accidental death benefits in such contracts,
 7 the 1971 individual annuity mortality table or any
 8 modification of this table approved by the commissioner and
 9 6% interest for single premium immediate annuity contracts
 10 and 4% interest for all other individual annuity and pure
 11 endowment contracts;

12 (b) for individual annuity and pure endowment
 13 contracts issued on or after January 1, 1986, excluding any
 14 disability and accidental death benefits in such contracts,
 15 the 1971 individual annuity mortality table or any
 16 modification of the table approved by the commissioner and
 17 3 1/2% interest;

18 (c) for all annuities and pure endowments purchased
 19 prior to January 1, 1986, under group annuity and pure
 20 endowment contracts, excluding any disability and accidental
 21 death benefits purchased under such contracts, the 1971
 22 group annuity mortality table or any modification of the
 23 table approved by the commissioner and 6% interest;

24 (d) for all annuities and pure endowments purchased on
 25 or after January 1, 1986, under group annuity and pure

1 endowment contracts, excluding any disability and accidental
 2 death benefits purchased under such contracts, the 1971
 3 group annuity mortality table or any modification of this
 4 table approved by the commissioner and 3 1/2% interest.

5 (2) After March 17, 1973, any insurer may file with
 6 the commissioner a written notice of its election to comply
 7 with the provisions of subsection (1) after a specified date
 8 before January 1, 1979, which shall be the operative date of
 9 subsection (1) for such insurer. An insurer may elect a
 10 different operative date for individual annuity and pure
 11 endowment contracts from that elected for group annuity and
 12 pure endowment contracts. If an insurer makes no such
 13 election, the operative date of this section for such
 14 insurer shall be January 1, 1979."

15 Section 10. Section 33-2-708, MCA, is amended to read:
 16 "33-2-708. Fees and licenses. (1) The commissioner
 17 shall collect in advance and the persons so served shall so
 18 pay to the commissioner the following fees and licenses:

19 (a) certificates of authority:
 20 (i) for filing applications for original certificate
 21 certificates of authority, articles of incorporation (except
 22 original articles of incorporation of domestic insurers as
 23 provided in subsection (b) below) and other charter
 24 documents, bylaws, financial statement, examination report,
 25 power of attorney to the commissioner, and all other

1 documents and filings required in connection with such
 2 application and for issuance of an original certificate of
 3 authority, if issued:
 4 (A) domestic insurers.....\$ 30.00
 5 (B) foreign insurers.....300.00
 6 (ii) annual continuation of certificate of authority...
 7300.00
 8 (iii) reinstatement of certificate of authority.. 25.00
 9 (b) articles of incorporation:
 10 (i) filing original articles of incorporation of
 11 domestic insurers, exclusive of fees required to be paid by
 12 the corporation to the secretary of state..... 20.00
 13 (ii) filing amendment of articles of incorporation
 14 domestic and foreign insurers, exclusive of fees required to
 15 be paid to the secretary of state by a domestic corporation
 16 10.00
 17 (c) filing bylaws or amendment thereto where required
 18 5.00
 19 (d) filing annual statement of insurer, other than as
 20 part of application for original certificate of authority...
 21 25.00
 22 (e) agent's license for property, casualty, surety,
 23 and title insurance agents, including disability insurance
 24 without additional license or fee when written by property,
 25 casualty, or surety insurer otherwise represented by the

1 agent:
 2 (i) application for original license, including
 3 issuance of license, if issued..... 10.00
 4 (ii) appointment of agent, each insurer..... 5.00
 5 (iii) annual renewal or appointment of agent, each
 6 insurer..... 5.00
 7 (iv) temporary license..... 10.00
 8 (f) nonresident agent's license for property,
 9 casualty, and title insurance agents, and including
 10 disability insurance without additional license or fee when
 11 written by property, casualty, or surety insurer otherwise
 12 represented by the agent:
 13 (i) application for original license, including
 14 issuance of license, if issued.....100.00
 15 (ii) appointment of agent, each insurer..... 5.00
 16 (iii) annual renewal or appointment of agent, each
 17 insurer.....100.00
 18 (g) solicitor's license:
 19 (i) application for original license, including
 20 issuance of license, if issued..... 5.00
 21 (ii) annual continuation of license..... 5.00
 22 (n) agent's license, life, disability insurance:
 23 (i) application for original license, each insurer...
 24 5.00
 25 (ii) annual continuation or renewal of license, each

1	insurer.....	5.00
2	(iii) temporary license, each insurer.....	5.00
3	(iv) nonresident agent's license, life, disability	
4	insurance:	
5	(i) application for original license, including	
6	issuance of license, if issued, each insurer.....	100.00
7	(ii) annual continuation or renewal of license, each	
8	insurer.....	100.00
9	(j) examination for license as agent or solicitor,	
10	each examination	10.00
11	(k) surplus line agent's license:	
12	(i) application for original license and for issuance	
13	of license, if issued.....	25.00
14	(ii) annual renewal or continuation of license...	25.00
15	(l) adjuster's license:	
16	(i) application for original license and for issuance	
17	of license, if issued.....	10.00
18	(ii) annual continuation or renewal of license...	10.00
19	(m) insurance vending machine license, each machine,	
20	each year	10.00
21	(n) commissioner's certificate under seal (except when	
22	on certificates of authority or licenses).....	3.00
23	(o) copies of documents on file in the commissioner's	
24	office, per page.....	50
25	(p) policy forms:	

1 determination or qualification -- divestiture. (1) In
 2 addition to investments in common stock, preferred stock,
 3 debt obligations, and other securities permitted under all
 4 other sections of parts 10 and 11 of this chapter, a
 5 domestic insurer may also:

6 (a) invest, in common stock, preferred stock, debt
 7 obligations, and other securities of one or more
 8 subsidiaries, amounts which do not exceed the lesser of 5%
 9 of such insurer's assets or 50% of such insurer's surplus as
 10 regards policyholders, provided that after such investments
 11 the insurer's surplus as regards policyholders will be
 12 reasonable in relation to the insurer's outstanding
 13 liabilities and adequate to its financial needs. In
 14 calculating the amount of such investments, there shall be
 15 included total net moneys or other consideration expended
 16 and obligations assumed in the acquisition or formation of a
 17 subsidiary, including all organizational expenses and
 18 contributions to capital and surplus of such subsidiary
 19 whether or not represented by the purchase of capital stock
 20 or issuance of other securities, and all amounts expended in
 21 acquiring additional common stock, preferred stock, debt
 22 obligations, and other securities and all contributions to
 23 the capital or surplus of a subsidiary subsequent to its
 24 acquisition or formation.

25 (b) if the insurer's total liabilities, as calculated

1 for national association of insurance commissioners annual
 2 statement purposes, are less than 10% of assets, invest any
 3 amount in common stock, preferred stock, debt obligations,
 4 and other securities of one or more subsidiaries, provided
 5 that, after such investment, the insurer's surplus as
 6 regards policyholders, considering such investment as if it
 7 were a disallowed asset, will be reasonable in relation to
 8 the insurer's outstanding liabilities and adequate to its
 9 financial needs;

10 (c) invest any amount in common stock, preferred
 11 stock, debt obligations, and other securities of one or more
 12 subsidiaries, provided that each such subsidiary agrees to
 13 limit its investments in any asset so that such investments
 14 will not cause the amount of the total investment of the
 15 insurer to exceed any of the investment limitations
 16 specified in this [section]. The total investment of the
 17 insurer shall include:

18 (i) any direct investment by the insurer in an asset;
 19 (ii) the insurer's proportionate share of any
 20 investment in an asset by any subsidiary of the insurer,
 21 which shall be calculated by multiplying the amount of the
 22 subsidiary's investment by the percentage of the insurer's
 23 ownership of such subsidiary.

24 (d) with the approval of the commissioner, invest any
 25 amount in common stock, preferred stock, debt obligations,

1 or other securities of one or more subsidiaries, provided
 2 that after such investment, the insurer's surplus as regards
 3 policyholders will be reasonable in relation to the
 4 insurer's outstanding liabilities and adequate to its
 5 financial needs;

6 (e) invest any amount in the common stock, preferred
 7 stock, debt obligations, or other securities of any
 8 subsidiary exclusively engaged in holding title to or
 9 holding title to and managing or developing real or personal
 10 property if, after considering as a disallowed asset so much
 11 of the investment as is represented by subsidiary assets
 12 which if held directly by the insurer would be considered as
 13 a disallowed asset, the insurer's surplus as regards
 14 policyholders will be reasonable in relation to the
 15 insurer's outstanding liabilities and adequate to its
 16 financial needs and if following such investment all voting
 17 securities of such subsidiary would be owned by the insurer.

18 (2) Investments in common stock, preferred stock, debt
 19 obligations, or other securities of subsidiaries made
 20 pursuant to subsection (1) hereof shall not be subject
 21 to any of the otherwise applicable restrictions or
 22 prohibitions contained in parts 10 and 11 of this chapter
 23 applicable to such investments of insurers.

24 (3) Whether any investment pursuant to subsection (1)
 25 meets the applicable requirements thereof is to be

1 determined immediately after such investment is made, taking
 2 into account the then outstanding principal balance on all
 3 previous investments in debt obligations and the value of
 4 all previous investments in equity securities as of the date
 5 they were made.

6 (4) If an insurer ceases to control a subsidiary, it
 7 shall dispose of any investment therein made pursuant to
 8 this section within 3 years from the time of the cessation
 9 of control or within such further time as the commissioner
 10 may prescribe, unless at any time after such investment
 11 shall have been made, such investment shall have met the
 12 requirements for investment under any other section of parts
 13 10 and 11 of this chapter and the insurer has notified the
 14 commissioner thereof."

15 Section 13. Section 33-3-215, MCA, is amended to read:
 16 "33-3-215. Mutualization of stock insurer. (1) A stock
 17 insurer other than a title insurer may become a mutual
 18 insurer under such a plan and procedure as may be approved
 19 by the commissioner after a hearing thereon.

20 (2) The commissioner shall not approve any such plan,
 21 procedure, or mutualization unless:

22 (a) it is equitable to stockholders and policyholders;
 23 (b) it is subject to approval by the holders of not
 24 less than three-fourths of the insurer's outstanding capital
 25 stock having voting rights and by not less than two-thirds

1 of the insurer's policyholders who vote on such plan in
 2 person, by proxy, or by mail pursuant to such notice and
 3 procedure as may be approved by the commissioner;

4 (c) if a life insurer, the right to vote thereon is
 5 limited to holders of policies other than term or group
 6 policies and whose policies have been in force for more than
 7 1 year;

8 (d) mutualization will result in retirement of shares
 9 of the insurer's capital stock at a price not in excess of
 10 the fair market value thereof as determined by competent
 11 disinterested appraisers;

12 (e) the plan provides for the purchase of the shares
 13 of any nonconsenting stockholder in the same manner and
 14 subject to the same applicable conditions as provided by
 15 [§5-1965--ReenAct-1947] ~~title 35, chapter 1, part 8~~ as to
 16 rights of nonconsenting stockholders, with respect to
 17 consolidation or merger of private corporations;

18 (f) the plan provides for definite conditions to be
 19 fulfilled by a designated early date upon which such
 20 mutualization will be deemed effective; and

21 (g) the mutualization leaves the insurer with surplus
 22 funds reasonably adequate for the security of its
 23 policyholders and to enable it to continue successfully in
 24 business in the states in which it is then authorized to
 25 transact insurance and for the kinds of insurance included

1 in its certificates of authority in such states.

2 (3) This section shall not apply to mutualization
 3 under order of court pursuant to rehabilitation or
 4 reorganization of an insurer under chapter 2, part 9.

5 Section 14. Section 33-3-217, MCA, is amended to read:
 6 "33-3-217. Mergers and consolidations of stock
 7 insurers. (1) A domestic stock insurer may merge or
 8 consolidate with one or more domestic or foreign stock
 9 corporations authorized to transact business in this state
 10 and by complying with the applicable provisions of the
 11 statutes of this state governing the merger or consolidation
 12 of stock corporations formed for profit but subject to
 13 subsections (2) and (3) below.

14 (2) No such merger or consolidation shall ~~may~~ be
 15 effectuated unless in advance thereof the plan and agreement
 16 therefor have been filed with the commissioner and approved
 17 in writing by him after a hearing thereon. The commissioner
 18 shall give such approval within a reasonable time after such
 19 filing unless he finds such plan or agreement:

20 (a) is contrary to law;

21 (b) inequitable to the stockholders of any domestic
 22 insurer involved; or

23 (c) would substantially reduce the security of and
 24 service to be rendered to policyholders of the domestic
 25 insurer in this state or elsewhere.

1 (3) No directors, officers, agents, or employee of any
 2 insurer party to such merger or consolidation shall ~~may~~
 3 receive any fee, commission, compensation, or other valuable
 4 consideration whatsoever for in any manner aiding,
 5 promoting, or assisting therein except as set forth in such
 6 plan or agreement.

7 (4) If the commissioner does not approve any such plan
 8 or agreement he shall so notify the insurer in writing
 9 specifying his reasons therefor.

10 (5) If any domestic insurer involved in the proposed
 11 merger or consolidation is authorized to transact insurance
 12 also in other states, the commissioner may request the
 13 insurance commissioner, director of insurance,
 14 superintendent of insurance, or other similar public
 15 insurance supervisory official of the two other such states
 16 in which such insurer has in force the larger amounts of
 17 insurance to participate in the hearing provided for under
 18 subsection (2) above, with full right to examine all
 19 witnesses and evidence and to offer to the commissioner such
 20 pertinent information and suggestions as they may deem
 21 proper.

22 (6) Any plan or proposal through which a stock insurer
 23 proposes to acquire a controlling stock interest in another
 24 stock insurer through an exchange of stock of the first
 25 insurer, issued by the insurer for the purpose, for such

1 controlling stock of the second insurer is deemed to be a
 2 plan or proposal of merger of the second insurer into the
 3 first insurer for the purposes of this section and is
 4 subject to the applicable provisions hereof.

5 (7) Upon merger or consolidation of a domestic insurer
 6 with another insurer under this chapter, the corporate
 7 charter of such merged or consolidated domestic insurer
 8 shall thereby ~~thereby~~ automatically be extinguished and
 9 nullified.*

10 Section 15. Section 33-5-201, MCA, is amended to read:
 11 "33-5-201. Organization of reciprocal insurer. (1)
 12 Twenty-five or more persons domiciled in this state may
 13 organize a domestic reciprocal insurer and make application
 14 to the commissioner for a certificate of authority to
 15 transact insurance.

16 (2) The proposed attorney shall fulfill the
 17 requirements of and shall execute and file with the
 18 commissioner when applying for a certificate of authority a
 19 declaration setting forth:

20 (a) the name of the insurer;
 21 (b) the location of the insurer's principal office,
 22 which shall be the same as that of the attorney and shall be
 23 maintained within this state;
 24 (c) the kinds of insurance proposed to be transacted;
 25 (d) the names and addresses of the original

1 subscribers;

2 (e) the designation and appointment of the proposed
3 attorney and a copy of the power of attorney;

4 (f) the names and addresses of the officers and
5 directors of the attorney, if a corporation, or its members,
6 if a firm;

7 (g) the powers of the subscribers' advisory committee
8 and the names and terms of office of the members thereof;

9 (h) that all moneys paid to the reciprocal [insurer] shall, after deducting therefrom any sum payable to the attorney, be held in the name of the insurer and for the purposes specified in the subscribers' agreement;

10 (i) a copy of the subscribers' agreement;

11 (j) a statement that each of the original subscribers has in good faith applied for insurance of a kind proposed to be transacted and that the insurer has received from each such subscriber the full premium or premium deposit required for the policy applied for, for a term of not less than 6 months at an adequate rate theretofore filed with and approved by the commissioner;

12 (k) a statement of the financial condition of the insurer, a schedule of its assets, and a statement that the surplus as required by 33-5-401 is on hand; and

13 (l) a copy of each policy, endorsement, and application form it then proposes to issue or use.

1 (3) Such [he] declaration shall be acknowledged by the attorney in the manner required for the acknowledgment of deeds.*

2 Section 16. Section 33-7-514, MCA, is amended to read:
3 *33-7-514. Standard provisions. (1) After January 1,
4 1962, no life benefit certificate shall ~~may~~ be delivered or
5 issued for delivery in this state unless a copy of the form
6 has been filed with the commissioner.

7 (2) The certificate shall ~~must~~ contain in substance
8 the following standard provisions or, in lieu thereof,
9 provisions which are more favorable to the member:

10 (a) title on the face and filing page of the certificate clearly and correctly describing its form;

11 (b) a provision stating the amount of rates, premiums,
12 or other required contributions, by whatever name known,
13 which are payable by the insured under the certificate;

14 (c) a provision that the member is entitled to a grace period of not less than a full month (or 30 days at the option of the society) in which the payment of any premium after the first may be made. During such grace period the certificate shall ~~must~~ continue in full force, but in case the certificate becomes a claim during the grace period before the overdue payment is made, the amount of such overdue payment or payments may be deducted in any settlement under the certificate.

1 (d) a provision that the member shall be is entitled
 2 to have the certificate reinstated at any time within 3
 3 years from the due date of the premium in default, unless
 4 the certificate has been completely terminated through the
 5 application of a nonforfeiture benefit, cash surrender
 6 value, or certificate loan, upon the production of evidence
 7 of insurability satisfactory to the society and the payment
 8 of all overdue premiums and any other indebtedness to the
 9 society upon the certificate, together with interest on such
 10 premiums and such indebtedness, if any, at a rate not
 11 exceeding 6% per annum compounded annually;

12 (e) except in the case of pure endowment, annuity or
 13 reversionary annuity contracts, reducing term insurance
 14 contracts, or contracts of term insurance of uniform amount
 15 of 15 years or less expiring before age 66, a provision
 16 that, in the event of default in payment of any premium
 17 after 3 full years' premiums have been paid or after
 18 premiums for a lesser period have been paid if the contract
 19 so provides, the society will grant, upon proper request not
 20 later than 60 days after the due date of the premium in
 21 default, a paid-up nonforfeiture benefit on the plan
 22 stipulated in the certificate, effective as of such due
 23 date, of such value as specified in this chapter. The
 24 certificate may provide, if the society's laws so specify or
 25 if the member shall so elects prior to the expiration

1 of the grace period of any overdue premium, that default
 2 shall not occur so long as premiums can be paid under
 3 the provisions of an arrangement for automatic premium loan
 4 as may be set forth in the certificate.

5 (f) a provision that one paid-up nonforfeiture benefit
 6 as specified in the certificate shall must become effective
 7 automatically unless the member elects another available
 8 paid-up nonforfeiture benefit, not later than 60 days after
 9 the due date of the premium in default;

10 (g) a statement of the mortality table and rate of
 11 interest used in determining all paid-up nonforfeiture
 12 benefits and cash surrender options available under the
 13 certificate and a brief general statement of the method used
 14 in calculating such benefits;

15 (h) a table showing in figures the value of every
 16 paid-up nonforfeiture benefit and cash surrender option
 17 available under the certificate for each certificate
 18 anniversary either during the first 20 certificate years or
 19 during the term of the certificate, whichever is shorter;

20 (i) a provision that the certificate shall be is
 21 incontestable after it has been in force during the lifetime
 22 of the member for a period of 2 years from its date of issue
 23 except for nonpayment of premiums, violation of the
 24 provisions of the certificate relating to military,
 25 aviation, or naval service, and violation of the provisions

1 relating to suspension or expulsion as substantially set
 2 forth in the certificate. At the option of the society,
 3 supplemental provisions relating to benefits in the event of
 4 temporary or permanent disability or hospitalization and
 5 provisions which grant additional insurance specifically
 6 against death by accident or accidental means may also be
 7 excepted. The certificate ~~shall-be~~ is incontestable on the
 8 grounds of suicide after it has been in force during the
 9 lifetime of the member for a period of 2 years from date of
 10 issue. The certificate may provide, as to statements made to
 11 procure reinstatement, that the society ~~shall-have~~ has the
 12 right to contest a reinstated certificate within a period of
 13 2 years from date of reinstatement with the same exceptions
 14 as herein provided.

15 (j) a provision that in case the age of the member or
 16 of any other person is considered in determining the premium
 17 and it is found at any time before final settlement under
 18 the certificate that the age has been misstated, and the
 19 discrepancy and premium involved have not been adjusted, the
 20 amount payable shall be such as the premium would have
 21 purchased at the correct age; but if the correct age was not
 22 an insurable age under the society's charter or laws, only
 23 the premiums paid to the society, less any payments
 24 previously made to the member, shall be returned or, at the
 25 option of the society, the amount payable under the

1 certificate shall be such as the premium would have
 2 purchased at the correct age according to the society's
 3 promulgated rates and any extension thereof based on
 4 actuarial principles;

5 (k) a provision or provisions which recite fully or
 6 which set forth the substance of all sections of the
 7 charter, constitution, laws, or rules of the society in
 8 force at the time of issuance of the certificate, the
 9 violation of which will result in the termination of or in
 10 the reduction of the benefit or benefits payable under the
 11 certificate; and

12 (l) if the constitution or laws of the society provide
 13 for expulsion or suspension of a member, a provision that
 14 any member so expelled or suspended, except for nonpayment
 15 of a premium or within the contestable period for material
 16 misrepresentations in such member's application for
 17 membership, shall have the privilege of maintaining his
 18 insurance in force by continuing payment of the required
 19 premium.

20 (m) Any of the foregoing provisions or portions
 21 thereof not applicable by reason of the plan of insurance or
 22 because the certificate is an annuity certificate may, to
 23 the extent inapplicable, be omitted from the certificate."

24 Section 17. Section 33-10-217, MCA, is amended to
 25 read:

1 "33-10-217. Prevention of impairments. To aid in the
 2 detection and prevention of insurer impairments ~~the board of~~
 3 ~~directors is given the following powers and duties:~~

4 (1) The board of-directors shall, upon majority vote,
 5 notify the commissioner of any information indicating any
 6 member insurer may be unable or potentially unable to
 7 fulfill its contractual obligations.

8 (2) The board of-directors may, upon majority vote,
 9 request that the commissioner order an examination of any
 10 member insurer which the board in good faith believes may be
 11 unable or potentially unable to fulfill its contractual
 12 obligations.

13 (3) The board of--directors may, upon majority vote,
 14 make reports and recommendations to the commissioner upon
 15 any matter germane to the solvency, liquidation,
 16 rehabilitation, or conservation of any member insurer. Such
 17 reports and recommendations shall not be considered public
 18 documents.

19 (4) The board of--directors may, upon majority vote,
 20 make recommendations to the commissioner for the detection
 21 and prevention of insurer impairments.

22 (5) The board of-directors shall, at the conclusion of
 23 any insurer impairment in which the association carried out
 24 its duties under this part or exercised any of its powers
 25 under this part, prepare a report on the history and causes

1 of such impairment, based on the information available to
 2 the association, and submit such report to the
 3 commissioner."

4 Section 18. Section 33-10-229, MCA, is amended to
 5 read:

6 "33-10-229. Recovery of dividends. (1) If an order for
 7 liquidation or rehabilitation of an insurer domiciled in
 8 this state has been entered, the receiver appointed under
 9 such order ~~shall--have~~ has a right to recover on behalf of
 10 the insurer, from any affiliate that controlled it, the
 11 amount of distributions, other than stock dividends paid by
 12 the insurer on its capital stock, made at any time during
 13 the 5 years preceding the petition for liquidation or
 14 rehabilitation subject to the limitations of subsections (2)
 15 through (4).

16 (2) No such dividend ~~shall--be~~ is recoverable if the
 17 insurer shows that when paid the distribution was lawful and
 18 reasonable and that the insurer did not know and could not
 19 reasonably have known that the distribution might adversely
 20 affect the ability of the insurer to fulfill its contractual
 21 obligations.

22 (3) Any person who ~~as~~ was an affiliate that controlled
 23 the insurer at the time the distributions were paid ~~shall--be~~
 24 is liable up to the amount of distributions he received.
 25 Any person who was an affiliate that controlled the insurer

1 at the time the distributions were declared shall-be is
 2 liable up to the amount of distributions he would have
 3 received if they had been paid immediately. If two persons
 4 are liable with respect to the same distributions, they
 5 shall-be are jointly and severally liable.

6 (4) The maximum amount recoverable under this section
 7 shall-be is the amount needed in excess of all other
 8 available assets of the impaired insurer to pay the
 9 contractual obligations of the impaired insurer.

10 (5) If any person liable under subsection (3) is
 11 insolvent, all its affiliates that controlled it at the time
 12 the dividend was paid shall-be are jointly and severally
 13 liable for any resulting deficiency in the amount recovered
 14 from the insolvent affiliate.*

15 Section 19. Section 33-17-203, MCA, is amended to
 16 read:

17 "33-17-203. General qualification for license as life
 18 or disability insurance agent. For the protection of the
 19 people of this state the commissioner shall ~~may~~ not issue,
 20 continue, or permit to exist any agent license as to life or
 21 disability insurance except in compliance with this chapter,
 22 or--as--to--any In addition ~~the~~ individual not-qualified
 23 therefor ~~must~~ qualify as follows:

24 (1) ~~must~~ be 18 years of age or more;
 25 (2) ~~must~~ be a resident in and of this state or of

1 another state if by reciprocal arrangements made by the
 2 commissioner with such other state similar privileges
 3 therein are granted to residents of this state;

4 (3) ~~must~~ have been appointed as such an agent by an
 5 authorized insurer, subject to issuance of the license;

6 (4) ~~must~~ be competent, trustworthy, and of good

7 reputation;

8 (5) ~~must~~ have had experience or training or be
 9 otherwise adequately qualified in the kind or kinds of
 10 insurance as to which he is to be licensed, and be
 11 reasonably familiar with the provisions of this code
 12 governing his operations as such an agent and with the
 13 provisions of the policies and contracts he proposes to
 14 offer under the license;

15 (6) ~~must~~ pass any written examination for the license
 16 required under this chapter;

17 (7) ~~must~~ not use or intend to use the license
 18 principally for the writing of insurance on the lives or
 19 interests of himself or his relatives to the second degree;

20 (8) ~~must~~ not be a funeral director, undertaker, or
 21 mortician or an officer, employee, or representative
 22 thereof.*

23 Section 20. Section 33-17-211, MCA, is amended to
 24 read:

25 "33-17-211. Application for license. (1) Application

1 for an agent or solicitor license shall ~~must~~ be made to the
 2 commissioner by the applicant and be signed and sworn to by
 3 the applicant before a notary public or other person
 4 authorized by law to take acknowledgments of deeds.

5 (2) The commissioner shall designate and prepare forms
 6 for application for license which shall ~~must~~ require full
 7 answers to such questions as may reasonably be necessary to
 8 determine the applicant's identity, residence, personal
 9 history, business record, experience and training in
 10 insurance, purpose for which the license is to be used, and
 11 other facts as required by the commissioner to determine
 12 whether the applicant meets the applicable qualifications
 13 for the license applied for.

14 (3) If for an agent's license, the application shall
 15 ~~must~~ state the kinds of insurance proposed to be transacted
 16 and be accompanied by written appointment of the applicant
 17 as agent by an authorized insurer, subject to issuance of
 18 the license.

19 (4) If for a solicitor's license, the application
 20 shall ~~must~~ be accompanied by written appointment of
 21 applicant as solicitor by a licensed agent, subject to
 22 issuance of the license.

23 (5) If the applicant for an agent license is a firm or
 24 corporation, the application shall show, in addition, the
 25 names of all members, officers, and directors and shall

1 designate each individual who is to exercise the powers to
 2 be conferred by the license upon the firm or corporation.
 3 Each such individual so designated shall furnish information
 4 as to himself, as part of the application, as though for an
 5 individual license.

6 (6) If the applicant for an agent license is an
 7 agents' association pursuant to 33-17-205, the application
 8 shall ~~must~~ show the names and residence addresses of the
 9 association's officers and trustees.

10 (7) If for license as either agent or solicitor, the
 11 application shall ~~must~~ also show whether applicant was ever
 12 previously licensed to transact any kind of insurance in
 13 this state or elsewhere; whether any such license was ever
 14 refused, suspended, or revoked; whether any insurer, general
 15 agent, or agent, in the case of a solicitor application,
 16 claims applicant to be indebted to it and, if so, the
 17 details thereof and the defenses, if any, of the applicant
 18 thereto; whether applicant ever had an agency contract
 19 canceled and the facts thereof; and if applicant is married,
 20 like information with respect to the applicant's spouse.

21 (8) The commissioner shall require as part of the
 22 application for license the certificate of an officer or
 23 representative of the insurer proposed to be represented, in
 24 the case of applicants for license as agent, or of the
 25 proposed employing agent, in the case of applicants for

1 license as solicitor, as to whether the applicant is known
 2 to such officer or representative, whether the insurer or
 3 agent has investigated the character and business record of
 4 the applicant and the uses to be made of the license, if
 5 granted, and his opinion, based on such investigation, as to
 6 applicant's trustworthiness and competence and whether the
 7 applicant will use the license principally for the purpose
 8 of insuring the applicant's own risks or interests and those
 9 of the applicant's relatives or employer.

10 (9) All such applications shall ~~must~~ be accompanied by
 11 the applicable license fee, appointment of agent fee where
 12 applicable, and examination fee where required under
 13 33-17-212, all in the respective amounts stated in
 14 33-2-708."

15 Section 21. Section 33-17-213, MCA, is amended to
 16 read:

17 "33-17-213. Conduct of examinations. (1) The
 18 commissioner shall make any examination required under
 19 33-17-212 available to applicants with reasonable frequency
 20 and at a place in this state reasonably accessible to such
 21 the applicants. The commissioner shall make any such
 22 examination available at his offices at Helena, Montana, at
 23 times within his discretion but at least once a month.

24 (2) All the kinds of insurance or ~~etass classes~~
 25 thereof, as referred to in 33-17-212(3), which the applicant

1 proposes to transact under the license applied for shall be
 2 included in the same examination.

3 (3) The commissioner shall give, conduct, and grade
 4 all examinations in a fair and impartial manner and without
 5 unfair discrimination as between individuals examined.

6 (4) The commissioner may require a reasonable waiting
 7 period before reexamination of an applicant who has failed
 8 to pass a previous examination covering the same kind or
 9 kinds of insurance."

10 Section 22. Section 33-17-1004, MCA, is amended to
 11 read:

12 "33-17-1004. Acting as insurance agent, solicitor, or
 13 adjuster without license -- penalty. Any person, firm,
 14 association, or corporation who or which, in this state,
 15 acts as an insurance agent, solicitor, or adjuster without
 16 having authority to do so by virtue of a license issued and
 17 in force pursuant to the provisions of this chapter shall
 18 upon conviction be guilty of a misdemeanor and upon
 19 conviction shall be fined \$500 or imprisoned in the county
 20 jail for 90 days or both such fine and imprisonment."

21 Section 23. Section 33-18-301, MCA, is amended to
 22 read:

23 "33-18-301. Prohibited relations with mortuaries. (1)
 24 No life insurer shall ~~may~~ own, manage, supervise, operate,
 25 or maintain any mortuary, funeral, or undertaking

1 establishment or permit its officers, employees, or
 2 representatives to own, operate, maintain, or be employed in
 3 any such business.

4 (2) No life insurer shall ~~may~~ contract or agree with
 5 any funeral director, mortuary, or undertaker to the effect
 6 that such funeral director, undertaker, or mortuary shall
 7 conduct the funeral of any person insured by such insurer.

8 (3) Each violation of this section shall constitute
 9 a misdemeanor punishable by a fine of not more
 10 than \$1,000 or by imprisonment at hard labor for not more
 11 than 6 months or by both such fine and imprisonment in the
 12 discretion of the court."

13 Section 24. Section 33-20-213, MCA, is amended to
 14 read:

15 "33-20-213. Operative date. After July 1, 1945, any
 16 insurer could have filed with the state auditor a written
 17 notice of its election to comply with the provisions of this
 18 part, ~~except 33-20-206 and 33-20-207~~, after a specified date
 19 before January 1, 1948, with respect to the policies
 20 specified in the notice. After the filing of such notice,
 21 then upon such specified date (which shall be the operative
 22 date for such insurer with respect to such policies), this
 23 part, ~~except 33-20-206 and 33-20-207~~, shall have become
 24 operative with respect to the policies specified in such
 25 notice thereafter issued by such insurer. As to all of its

1 policies and contracts with respect to which an insurer
 2 makes no such election, the operative date of this part,
 3 except ~~33-20-206 and 33-20-207~~, with respect to such
 4 policies and contracts for such insurer is January 1, 1948."

5 Section 25. Section 33-20-1111, MCA, is amended to
 6 read:

7 "33-20-1111. Dependents of employee and labor union
 8 groups -- coverage. Any group life policy issued under
 9 33-20-1101, 33-20-1102, or 33-20-1103, may be extended to
 10 insure the employees or members against loss due to the
 11 death of their spouses and minor children, or any class or
 12 classes thereof, subject to the following requirements:

13 (1) The premium for the insurance shall be paid by the
 14 policyholder, either from the employer's or union's funds or
 15 funds contributed by the employer or union or from funds
 16 contributed by the insured employees or members, or from
 17 both. If any part of the premium is to be derived from funds
 18 contributed by the insured employees or members, the
 19 insurance with respect to spouses and children may be placed
 20 in force only if at least 75% of the then eligible employees
 21 or members, excluding any as to whose family members
 22 evidence of insurability is not satisfactory to the insurer,
 23 elect to make the required contribution. If no part of the
 24 premium is to be derived from funds contributed by the
 25 employees or members, all eligible employees or members,

1 excluding any . to whose family members evidence of
 2 insurability is not satisfactory to the insurer, must be
 3 insured with respect to their spouses and children.

4 (2) The amounts of insurance must be based upon some
 5 plan precluding individual selection either by the employees
 6 or members or by the policyholder, employer, or union.

7 (3) Upon termination of the insurance with respect to
 8 the members of the family of any employee or member by
 9 reason of the employee's or member's termination of
 10 employment, termination of membership in the class or
 11 classes eligible for coverage under the policy, or death,
 12 the spouse ~~shall~~--be is entitled to have issued by the
 13 insurer, without evidence of insurability, an individual
 14 policy of life insurance, without disability or other
 15 supplementary benefits, providing application for the
 16 individual policy shall be made, and the first premium paid
 17 to the insurer, within 31 days after such termination,
 18 subject to the requirements of subsections (1), (2), and (3)
 19 of [33-20-1208] 33-20-1209. If the group policy terminates
 20 or is amended so as to terminate the insurance of any class
 21 of employees or members and the employee or member is
 22 entitled to have issued an individual policy under
 23 33-20-1210, the spouse ~~shall~~ is also be entitled to have
 24 issued by the insurer an individual policy, subject to the
 25 conditions and limitations provided above. If the spouse

1 dies within the period during which he would have been
 2 entitled to have an individual policy issued in accordance
 3 with this provision, the amount of life insurance which he
 4 would have been entitled to have issued under such
 5 individual policy shall be payable as a claim under the
 6 group policy, whether or not application for the individual
 7 policy or the payment of the first premium therefor has been
 8 made.

9 (4) Notwithstanding 33-20-1208, only one certificate
 10 need be issued for delivery to an insured person if a
 11 statement concerning any dependent's coverage is included in
 12 such certificate."

13 Section 26. Section 33-22-202, MCA, is amended to
 14 read:

15 "33-22-202. Required provisions -- captions --
 16 omissions -- substitutions -- order. (1) Except as provided
 17 in subsection (2) below, each such policy delivered or
 18 issued for delivery to any person in this state ~~shall~~ must
 19 contain the provisions specified in 33-22-204 through
 20 33-22-215, in the words in which the same appear, except
 21 that the insurer may, at its option, substitute for one or
 22 more of such provisions corresponding provisions of
 23 different wording approved by the commissioner which are in
 24 each instance not less favorable in any respect to the
 25 insured or the beneficiary. Each such provision ~~shall~~ must

1 be preceded individually by the applicable caption shown or,
 2 at the option of the insurer, by such appropriate individual
 3 or group captions or subcaptions as the commissioner may
 4 approve.

5 (2) If any such provision is in whole or in part
 6 inapplicable to or inconsistent with the coverage provided
 7 by a particular form of policy, the insurer, with the
 8 approval of the commissioner, shall omit from such policy
 9 any inapplicable provision or part of a provision and shall
 10 modify any inconsistent provision or part of a provision in
 11 such manner as to make the provision as contained in the
 12 policy consistent with the coverage provided by the policy.

13 (3) The provisions which are the subject of [40-4007
 14 to-40-4030] 33-22-204 through 33-22-232 or any corresponding
 15 provisions which are used in lieu thereof in accordance with
 16 such sections shall be printed in the consecutive order of
 17 the provisions in such sections or, at the option of the
 18 insurer, any such provision may appear as a unit in any part
 19 of the policy with other provisions to which it may be
 20 logically related, provided that the resulting policy shall
 21 not be in whole or in part unintelligible, uncertain,
 22 ambiguous, abstruse, or likely to mislead a person to whom
 23 the policy is offered, delivered, or issued."

24 Section 27. Section 33-17-216, MCA, is amended to
 25 read:

1 "33-17-216. Temporary agent licenses -- fee. (1) The
 2 commissioner may issue a temporary license as agent to or
 3 with respect to an individual qualified therefor only as to
 4 age, residence, and trustworthiness and without requiring
 5 such individual to take an examination, in the following
 6 cases:

7 (a) to the surviving spouse or next of kin or to the
 8 administrator or executor, or the employee of such
 9 administrator or executor, of a licensed agent becoming
 10 deceased upon such agent's death;

11 (b) to the spouse, next of kin, employee, or legal
 12 guardian of a licensed agent disabled by sickness, injury,
 13 or insanity physical or mental illness;

14 (c) to an employee of a firm, or officer or employee
 15 of a corporation, licensed as agent, upon the death or
 16 disability of an individual designated in the license to
 17 exercise the powers thereof;

18 (d) to the designee of a licensed agent entering upon
 19 active service in the armed forces of the United States of
 20 America;

21 (e) upon the request of the insurer, to an applicant
 22 for a license as a life insurance agent, pending the taking
 23 of any examination required of the applicant by the
 24 commissioner under 33-17-212, if the applicant is duly
 25 enrolled in and is actively pursuing an adequate course of

1 instruction, as provided by or through the insurer, in
 2 preparation for such examination. Such license shall be for
 3 a period of not over 90 days or until the applicant has had
 4 a reasonable opportunity to take such examination and be
 5 informed by the commissioner as to the results thereof,
 6 whichever is the shorter period, but subject to extension by
 7 the commissioner as provided in subsection (3) below.

8 (2) The temporary license shall be issued upon
 9 application filed with the commissioner in such form and
 10 containing such information as the commissioner may
 11 reasonably require and upon payment of the applicable fee as
 12 stated in 33-2-708.

13 (3) The temporary license shall be for a period of not
 14 over 90 days, subject to extension by the commissioner in
 15 his discretion for an additional period of not more than 90
 16 days, except that such a license issued pursuant to
 17 subsection (1)(a) above may be continued without payment of
 18 an additional fee until the executor or administrator
 19 disposes of the insurance business but not to exceed a
 20 period of 15 months. ~~Temporary~~ ~~A temporary~~ license issued
 21 to the next of kin under such subsection (1)(a) shall ~~may~~
 22 not be extended for an additional term or terms after the
 23 appointment and qualification of such an administrator or
 24 executor.

25 (4) The fee paid for the temporary license may be

1 applied upon the fee required for any a permanent license
 2 issued to the licensee upon or prior to expiration of the
 3 temporary license and covering the same kinds of insurance."

4 Section 28. Section 33-20-121, MCA, is amended to
 5 read:

6 "33-20-121. Prohibited provisions -- limitations on
 7 liability. (1) No policy of life insurance shall ~~may~~ be
 8 delivered or issued for delivery in this state if it
 9 contains any of the following provisions:

10 (a) a provision for a period shorter than that
 11 provided by statute within which an action at law or in
 12 equity ~~may~~ be commenced on ~~such~~ ~~the~~ policy;

13 (b) a provision which excludes or restricts liability
 14 for death caused in a certain specified manner or occurring
 15 while the insured has a specified status, except that a
 16 policy may contain provisions excluding or restricting
 17 coverage as specified therein in the event of death under
 18 any one or more of the following circumstances:

19 (i) death as a result, directly or indirectly, of war,
 20 declared or undeclared, or of action by military forces or
 21 of any act or hazard of such war or action or of service in
 22 the military, naval, or air forces or in civilian forces
 23 auxiliary thereto or from any cause while a member of such
 24 military, naval, or air forces of any country at war,
 25 declared or undeclared, or of any country engaged in such

1 military actions;

2 (ii) death as a result of aviation or any air travel or
3 flight;

4 (iii) death as a result of a specified hazardous
5 occupation or occupations;

6 (iv) death while the insured is a resident outside the
7 continental United States and Canada; or

8 (v) death within 2 years from the date of issue of the
9 policy as a result of suicide, while sane--or--insane
10 seriously mentally ill or otherwise.

11 (2) A policy which contains any exclusion or
12 restriction pursuant to subsection (1) of this section shall
13 also provide that in the event of death under the
14 circumstances to which any such exclusion or restriction is
15 applicable, the insurer will pay an amount not less than a
16 reserve determined according to the commissioner's reserve
17 valuation method upon the basis of the mortality table and
18 interest rate specified in the policy for the calculation of
19 nonforfeiture benefits (or if the policy provides for no
20 such benefits, computed according to a mortality table and
21 interest rate determined by the insurer and specified in the
22 policy) with adjustment for indebtedness or dividend credit.

23 (3) This section ~~shall~~ does not apply to industrial
24 life insurance, group life insurance, disability insurance,
25 reinsurance, or annuities, or to any provision in a life

1 insurance policy relating to disability benefits or to
2 additional benefits in the event of death by accident or
3 accidental means.

4 (4) Nothing contained in this section ~~shall~~-prohibit
5 prohibits any provision which in the opinion of the
6 commissioner is more favorable to the policyholder than a
7 provision permitted by this section."

8 Section 29. Repealer. Section 40-1723, R.C.M. 1947, is
9 repealed.

-End-

Senate Bill No. 101
INTRODUCED BY HAZELBAKER
BY REQUEST OF THE CODE COMMISSIONER

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
6 CLARIFY THE LAWS RELATING TO INSURANCE AND INSURANCE
7 COMPANIES; AND REPEALING SECTION 40-1723. R.C.M. 1947."

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

10 Section 1. Section 33-1-201, MCA, is amended to read:

11 "33-1-201. Definitions -- insurance in general. For

12 the purposes of this code, the following definitions apply

13 unless the context requires otherwise:

14 (1) An "alien insurer" is one formed under the laws of
15 any country other than the United States of America, its
16 states, districts, territories, and commonwealths.

17 (2) An "authorized insurer" is one duly authorized by
18 subsisting certificate of authority issued by the
19 commissioner to transact insurance in this state.

20 (3) A "domestic insurer" is one formed under the laws
21 of this state.

22 (4) A "foreign insurer" is one formed under the laws
23 of any jurisdiction other than this state. Except where
24 distinguished by context, foreign insurer includes also an
25 alien insurer.

There are no changes in 2/1/20, and due to length will not be resub. Please refer to 2/1/20 for complete text.

1 (5) "Insurance" is a contract whereby one undertakes
2 to indemnify another or pay or provide a specified or
3 determinable amount or benefit upon determinable
4 contingencies.

5 (6) "Insurer" includes every person engaged as
6 indemnitor, surety, or contractor in the business of
7 entering into contracts of insurance.

11 (8) "Transact", with respect to insurance, includes
12 any of the following:

13 (a) solicitation and inducement;
14 (b) preliminary negotiations;
15 (c) effectuation of a contract of insurance;
16 (d) transaction of matters subsequent to effectuation
17 of the contract of insurance and arising out of it.

18 (9) An "unauthorized insurer" is one not authorized by
19 subsisting certificate of authority issued by the
20 commissioner to transact insurance in this state."

21 Section 2. Section 33-1-202, MCA, is amended to read:
22 "33-1-202. Definitions -- entities. For the purposes
23 of this code, the following definitions apply unless the
24 context requires otherwise:

(1) "Commissioner" means the Commissioner of Insurance.

1 of the state of Montana unless--the--context---requires
 2 otherwise.

3 (2) "Department" means the department of insurance of
 4 the state of Montana unless--the--context--requires--otherwise.

5 (3) "Person" includes an individual, insurer, company,
 6 association, organization, Lloyd's, society, reciprocal or
 7 interinsurance exchange, partnership, syndicate, business
 8 trust, corporation, and ~~or~~ any other legal entity."

9 Section 3. Section 33-1-211, MCA, is amended to read:

10 "33-1-211. Surety insurance. Surety insurance
 11 includes:

12 (1) fidelity insurance which is insurance guaranteeing
 13 the fidelity of persons holding positions of public or
 14 private trust;

15 (2) insurance guaranteeing the performance of
 16 contracts, other than insurance policies, and guaranteeing
 17 and executing bonds, undertakings, and contracts of
 18 suretyship;

19 (3) insurance indemnifying banks, bankers, brokers, or
 20 financial or moneyed corporations or associations;

21 ~~(a)~~ against check forgery or alteration or against
 22 loss resulting from any cause of bills of exchange, notes,
 23 bonds, securities, evidences of debt, deeds, mortgages,
 24 warehouse receipts, or other valuable papers, documents,
 25 money, precious metals and articles made therefrom, jewelry,

1 watches, necklaces, bracelets, gems, or precious and
 2 semiprecious stones, including any loss while the--same--are
 3 being transported in armored motor vehicles, by mail, or by
 4 messenger but not including any other risks of
 5 transportation or navigation; ~~else--~~insurance

6 ~~(b)~~ against loss or damage to such--~~the~~ insured's
 7 premises or to his furnishings, fixtures, equipment, safes,
 8 and vaults therein caused by burglary, robbery, theft,
 9 ~~vendettas,~~ or criminal mischief or any attempt thereat."

10 Section 4. Section 33-1-303, MCA, is amended to read:

11 "33-1-303. Deputies and assistants -- employment,
 12 compensation, and termination. (1) The commissioner shall
 13 appoint a chief deputy insurance commissioner who shall be
 14 in charge of the insurance department under the direction
 15 and control of the commissioner.

16 (2) The commissioner may appoint additional deputy
 17 insurance commissioners for such ~~the~~ purposes as ~~that~~ he may
 18 designate designates.

19 (3) The commissioner may employ a competent insurance
 20 actuary to perform actuarial duties, if any, of the
 21 department, to take charge of or assist in the examination
 22 of insurers, and to perform other duties assigned to him.

23 (4) The commissioner may appoint or employ such
 24 examiners to conduct or assist in examinations of insurers
 25 and others provided for under the code, ~~as--~~ Examiners

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE AND
6 CLARIFY THE LAWS RELATING TO INSURANCE AND INSURANCE
7 COMPANIES; AND REPEALING SECTION 40-1723, R.C.M. 1947."

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

10 Section 1. Section 33-1-201, MCA, is amended to read:
11 "33-1-201. Definitions -- insurance in general. For
12 the purposes of this code, the following definitions apply
13 unless the context requires otherwise:

14 (1) An "alien insurer" is one formed under the laws of
15 any country other than the United States of America, its
16 states, districts, territories, and commonwealths.

17 (2) An "authorized insurer" is one duly authorized by
18 subsisting certificate of authority issued by the
19 commissioner to transact insurance in this state.

20 (3) A "domestic insurer" is one formed under the laws
21 of this state.

22 (4) A "foreign insurer" is one formed under the laws
23 of any jurisdiction other than this state. Except where
24 distinguished by context, foreign insurer includes also an
25 alien insurer.

1 (5) "Insurance" is a contract whereby one undertakes
2 to indemnify another or pay or provide a specified or
3 determinable amount or benefit upon determinable
4 contingencies.

5 (6) "Insurer" includes every person engaged as
6 indemnitor, surety, or contractor in the business of
7 entering into contracts of insurance.

8 (7) "State", when used as to jurisdiction, means a
9 state, the District of Columbia, or a territory,
10 commonwealth, or possession of the United States of America.

11 (8) "Transact", with respect to insurance, includes
12 any of the following:

13 (a) solicitation and inducement;

14 (b) preliminary negotiations;

15 (c) effectuation of a contract of insurance;

16 (d) transaction of matters subsequent to effectuation
17 of the contract of insurance and arising out of it.

(9) An "unauthorized insurer" is one not authorized by
subsisting certificate of authority issued by the
commissioner to transact insurance in this state."

21 Section 2. Section 33-1-202, MCA, is amended to read:

22 "33-1-202. Definitions -- entities. For the purposes
23 of this code, the following definitions apply unless the
24 context requires otherwise:

25 (1) "Commissioner" means the commissioner of insurance

1 of the state of Montana unless--the--context---requires
2 otherwise.

3 (2) "Department" means the department of insurance of
4 the state of Montana unless--the--context--requires--otherwise.

5 (3) "Person" includes an individual, insurer, company,
6 association, organization, Lloyd's, society, reciprocal or
7 interinsurance exchange, partnership, syndicate, business
8 trust, corporation, and or any other legal entity."

9 Section 3. Section 33-1-211, MCA, is amended to read:

10 "33-1-211. Surety insurance. Surety insurance
11 includes:

12 (1) fidelity insurance which is insurance guaranteeing
13 the fidelity of persons holding positions of public or
14 private trust;

15 (2) insurance guaranteeing the performance of
16 contracts, other than insurance policies, and guaranteeing
17 and executing bonds, undertakings, and contracts of
18 suretyship;

19 (3) insurance indemnifying banks, bankers, brokers, or
20 financial or moneyed corporations or associations;

21 ~~lal~~ against check forgery or alteration or against
22 loss resulting from any cause of bills of exchange, notes,
23 bonds, securities, evidences of debt, deeds, mortgages,
24 warehouse receipts, or other valuable papers, documents,
25 money, precious metals and articles made therefrom, jewelry,

1 watches, necklaces, bracelets, gems, or precious and
2 semiprecious stones, including any loss while the--same--are
3 being transported in armored motor vehicles, by mail, or by
4 messenger but not including any other risks of
5 transportation or navigation; ~~also--insurance~~

6 ~~lal~~ against loss or damage to such--on the insured's
7 premises or to his furnishings, fixtures, equipment, safes,
8 and vaults therein caused by burglary, robbery, theft,
9 ~~vandalism~~ or criminal mischief or any attempt thereat."

10 Section 4. Section 33-1-303, MCA, is amended to read:

11 "33-1-303. Deputies and assistants -- employment,
12 compensation, and termination. (1) The commissioner shall
13 appoint a chief deputy insurance commissioner who shall be
14 in charge of the insurance department under the direction
15 and control of the commissioner.

16 (2) The commissioner may appoint additional deputy
17 insurance commissioners for such the purposes as that he may
18 designate designates.

19 (3) The commissioner may employ a competent insurance
20 actuary to perform actuarial duties, if any, of the
21 department, to take charge of or assist in the examination
22 of insurers, and to perform other duties assigned to him.

23 (4) The commissioner may appoint or employ such
24 examiners to conduct or assist in examinations of insurers
25 and others provided for under the code, ~~as--may~~ Examiners

1 must be competent, because of experience or special
 2 education or training, to fulfill the responsibilities of an
 3 insurance examiner.

4 (5) The commissioner shall appoint and employ a field
 5 investigator whose primary duty it shall be is, as directed
 6 by the commissioner, to make investigations in this state of
 7 violations or claimed violations of this code.

8 (6) The commissioner may appoint a chief clerk for the
 9 insurance department and employ such other assistants and
 10 clerks as may be necessary to assist him properly to
 11 discharge the duties imposed upon him under this code.

12 (7) The commissioner may at any time terminate the
 13 appointment, designation, or employment of any such deputy,
 14 actuary, chief clerk, or other employee.

15 (8) The commissioner may from time to time contract
 16 for and procure, on a fee or part-time basis, or both, such
 17 actuarial, technical, or other professional services as he
 18 may require for the discharge of his duties.

19 (9) The compensation of ~~all--such--personnel--so~~
 20 appointed,--employed,--or--contracted--for--by--him the
 21 commissioner's personal staff, as defined in Title 2,
 22 chapter 18, part 1, shall be as fixed by the commissioner
 23 out in the aggregate shall ~~not~~ not exceed current funds
 24 appropriated by the legislature to the insurance department
 25 or otherwise currently available for the purpose."

1 Section 5. Section 33-1-315, MCA, is amended to read:
 2 "33-1-315. Witnesses -- production of records --
 3 subpoena -- failure to respond -- perjury. (1) With respect
 4 to the subject of any examination, investigation, or hearing
 5 being conducted by him, the commissioner or his examiner, if
 6 general written authority therefor has been given the
 7 examiner by the commissioner, may subpoena witnesses and
 8 administer oaths or affirmations and examine any individual
 9 under oath and may require and compel the production of
 10 records, books, papers, contracts, and other documents by
 11 attachments, if necessary. If in connection with any
 12 examination of an insurer the commissioner desires to
 13 examine any officer, director, or manager thereof who is
 14 then outside this state, the commissioner ~~is-authorized-to~~
 15 may conduct and enforce by all appropriate and available
 16 means any such examination under oath in any other state or
 17 territory of the United States in which such officer,
 18 director, or manager may then presently be, to the full
 19 extent permitted by the laws of such other state or
 20 territory, this special authorization considered.

21 (2) Witness fees and mileage, if claimed, shall be
 22 allowed the same as for testimony in a district court.
 23 Witness fees, mileage, and the actual expenses necessarily
 24 incurred in securing attendance of witnesses and their
 25 testimony shall be itemized and shall be paid by the person

1 being examined if such person is found to have been in
 2 violation of the law as to the matter with respect to which
 3 such witness was subpoenaed or by the person, if other than
 4 the commissioner, at whose request the hearing is held.

5 (3) Subpoenas of witnesses shall be served in the same
 6 manner as if issued from a district court. If any individual
 7 fails to obey a subpoena lawfully served, the commissioner
 8 shall forthwith report such disobedience, together with a
 9 copy of the subpoena and proof of service thereof, to the
 10 district court for the county in which the individual was
 11 required to appear. Such court shall forthwith cause such
 12 individual to be produced and shall impose penalties as
 13 though he had disobeyed a subpoena issued out of such court.

14 (4) Any person ~~wittfully~~ knowingly failing to attend,
 15 answer, or produce records, documents, or other evidence
 16 requested by the commissioner or who ~~wittfully~~ knowingly
 17 fails to give the commissioner full and truthful information
 18 and answer in writing to any material written inquiry of the
 19 commissioner, relative to the subject of any such
 20 examination, investigation, or hearing, or ~~wittfully~~
 21 knowingly fails to appear and testify under oath before the
 22 commissioner ~~shall--upon--conviction--thereof--in--addition--to~~
 23 ~~or--in--lieu--of--any--other--penalty--or--penalties--applicable--be~~
 24 ~~deemed~~ is guilty of a misdemeanor ~~and--in--addition--to--or--in~~
 25 ~~lieu--of--any--other--penalty--upon--conviction--shall--be--fined~~

1 ~~not--to--exceed--\$500--or--be--imprisoned--in--the--county--jail--for--a~~
 2 ~~term--not--to--exceed--6--months--or--both.~~

3 (5) Any person ~~wittfully~~ knowingly testifying falsely
 4 under oath as to any matter material to any such
 5 examination, investigation, or hearing shall be ~~guilty--of~~
 6 ~~perjury--and upon conviction thereof shall be guilty--of~~
 7 ~~perjury--and punished accordingly according to 24-7-202~~
 8 ~~55-7-201.~~"

9 Section 6. Section 33-1-411, MCA, is amended to read:
 10 "33-1-411. Destruction of records -- hindrance of
 11 examination -- penalty. Any director, officer, agent, or
 12 employee of any company who ~~FOR THE PURPOSE OF HINDERING ANY~~
 13 ~~EXAMINATION CONDUCTED PURSUANT TO THIS PART~~ destroys any
 14 books, records, or documents required to be kept by law for
 15 the purpose of hindering any examination in violation of the
 16 requirements of this section ~~33-1-412~~ shall be punished by a
 17 fine of not more than \$1,000~~z~~ and after ~~a NOTICE AND~~
 18 ~~hearing thereon for that purpose IN ACCORDANCE WITH TITLE~~
 19 ~~33, CHAPTER 1, PART 7,~~ the commissioner may revoke the
 20 certificate of authority of such company."

21 Section 7. Section 33-1-704, MCA, is amended to read:
 22 "33-1-704. Hearing procedure. (1) Hearings--may--be
 23 closed to--the--public--at--the--commissioner's--discretion
 24 except--that--a--hearing--held--with--respect--to--a--fitting--made
 25 under chapter 16 prior to the effective date of such fitting

1 shall--be--closed--to--the--public--unless--otherwise--requested--by
 2 the--party--that--made--such--filing--in--all--other--cases--a
 3 hearing--shall--be--open--to--the--public--if--so--requested--in
 4 writing--by--any--party--to--the--hearing. All hearings shall be
 5 open to the public unless closed pursuant to the provisions
 6 of 2-3-2021.

7 (2) The commissioner shall allow any party to the
 8 hearing to appear in person and by counsel, to be present
 9 during the giving of all evidence, to have a reasonable
 10 opportunity to inspect all documentary evidence and to
 11 examine witnesses, to present evidence in support of his
 12 interest, and to have subpoenas issued by the commissioner
 13 to compel attendance of witnesses and production of evidence
 14 in his behalf.

15 (3) The commissioner shall permit to become a party to
 16 the hearing by intervention, if timely, any person who was
 17 not an original party thereto and whose pecuniary interests
 18 are--to--will be directly and immediately affected by the
 19 commissioner's order made upon the hearing.

20 (4) Formal rules of pleading or evidence need not be
 21 observed at any hearing.

22 (5) Upon written request seasonably made by a party to
 23 the hearing and at such that person's expense, the
 24 commissioner shall cause a full stenographic record of the
 25 proceedings to be made by a competent reporter. If

1 transcribed, a copy of such stenographic record shall be
 2 furnished to the commissioner without cost to the
 3 commissioner or the state and shall be a part of the
 4 commissioner's record of the hearing. If so transcribed, a
 5 copy of such stenographic record shall be furnished to any
 6 other party to such hearing at the request and expense of
 7 such other party. If no stenographic record is made or
 8 transcribed, the commissioner shall prepare an adequate
 9 record of the evidence and of the proceedings."

10 Section 8. Section 33-2-105, MCA, is amended to read:
 11 "33-2-105. Suits by unauthorized insurers prohibited.
 12 As Except as to transactions not permitted under 33-2-102,
 13 no unauthorized insurer shall institute or file or cause to
 14 be instituted or filed any suit, action, or proceeding in
 15 this state to enforce any right, claim, or demand arising
 16 out of any insurance transaction in this state until such
 17 insurer has obtained a certificate of authority to transact
 18 such insurance in this state."

19 Section 9. Section 33-2-524, MCA, is amended to read:
 20 "33-2-524. Individual and group annuity and pure
 21 endowment contracts -- valuation. (1) The minimum standard
 22 for the valuation of all individual annuity and pure
 23 endowment contracts issued on [the operative date of this
 24 section], as defined herein, and for all annuities and pure
 25 endowments purchased on or after that operative date, under

1 group annuity and pure endowment contracts shall be is the
 2 commissioner's reserve valuation method defined in 33-2-525
 3 and the following tables and interest rates:

4 (a) for individual annuity and pure endowment
 5 contracts issued prior to January 1, 1986, excluding any
 6 disability and accidental death benefits in such contracts,
 7 the 1971 individual annuity mortality table or any
 8 modification of this table approved by the commissioner and
 9 6% interest for single premium immediate annuity contracts
 10 and 4% interest for all other individual annuity and pure
 11 endowment contracts;

12 (b) for individual annuity and pure endowment
 13 contracts issued on or after January 1, 1986, excluding any
 14 disability and accidental death benefits in such contracts,
 15 the 1971 individual annuity mortality table or any
 16 modification of the table approved by the commissioner and
 17 3 1/2% interest;

18 (c) for all annuities and pure endowments purchased
 19 prior to January 1, 1986, under group annuity and pure
 20 endowment contracts, excluding any disability and accidental
 21 death benefits purchased under such contracts, the 1971
 22 group annuity mortality table or any modification of the
 23 table approved by the commissioner and 6% interest;

24 (d) for all annuities and pure endowments purchased on
 25 or after January 1, 1986, under group annuity and pure

1 endowment contracts, excluding any disability and accidental
 2 death benefits purchased under such contracts, the 1971
 3 group annuity mortality table or any modification of this
 4 table approved by the commissioner and 3 1/2% interest.

5 (2) After March 17, 1973, any insurer may file with
 6 the commissioner a written notice of its election to comply
 7 with the provisions of subsection (1) after a specified date
 8 before January 1, 1979, which shall be the operative date of
 9 subsection (1) for such insurer. An insurer may elect a
 10 different operative date for individual annuity and pure
 11 endowment contracts from that elected for group annuity and
 12 pure endowment contracts. If an insurer makes no such
 13 election, the operative date of this section for such
 14 insurer shall be January 1, 1979."

15 Section 10. Section 33-2-708, MCA, is amended to read:
 16 "33-2-708. Fees and licenses. (1) The commissioner
 17 shall collect in advance and the persons so served shall so
 18 pay to the commissioner the following fees and licenses:

19 (a) certificates of authority:
 20 (i) for filing applications for original certificate
 21 certificates of authority, articles of incorporation (except
 22 original articles of incorporation of domestic insurers as
 23 provided in subsection (b) below) and other charter
 24 documents, bylaws, financial statement, examination report,
 25 power of attorney to the commissioner, and all other

1 documents and filings required in connection with such
 2 application and for issuance of an original certificate of
 3 authority, if issued:
 4 (A) domestic insurers.....\$ 30.00
 5 (B) foreign insurers.....300.00
 6 (ii) annual continuation of certificate of authority...
 7300.00
 8 (iii) reinstatement of certificate of authority.. 25.00
 9 (b) articles of incorporation:
 10 (i) filing original articles of incorporation of
 11 domestic insurer, exclusive of fees required to be paid by
 12 the corporation to the secretary of state..... 20.00
 13 (ii) filing amendment of articles of incorporation,
 14 domestic and foreign insurers, exclusive of fees required to
 15 be paid to the secretary of state by a domestic corporation
 16 10.00
 17 (c) filing bylaws or amendment thereto where required
 18 5.00
 19 (d) filing annual statement of insurer, other than as
 20 part of application for original certificate of authority...
 21 25.00
 22 (e) agent's license for property, casualty, surety,
 23 and title insurance agents, including disability insurance
 24 without additional license or fee when written by property,
 25 casualty, or surety insurer otherwise represented by the

1 agent:
 2 (i) application for original license, including
 3 issuance of license, if issued..... 10.00
 4 (ii) appointment of agent, each insurer..... 5.00
 5 (iii) annual renewal or appointment of agent, each
 6 insurer..... 5.00
 7 (iv) temporary license..... 10.00
 8 (f) nonresident agent's license for property,
 9 casualty, and title insurance agents, and including
 10 disability insurance without additional license or fee when
 11 written by property, casualty, or surety insurer otherwise
 12 represented by the agent:
 13 (i) application for original license, including
 14 issuance of license, if issued.....100.00
 15 (ii) appointment of agent, each insurer..... 5.00
 16 (iii) annual renewal or appointment of agent, each
 17 insurer.....100.00
 18 (g) solicitor's license:
 19 (i) application for original license, including
 20 issuance of license, if issued..... 5.00
 21 (ii) annual continuation of license..... 5.00
 22 (h) agent's license, life, disability insurance:
 23 (i) application for original license, each insurer....
 24 5.00
 25 (ii) annual continuation or renewal of license, each

1 insurer..... 5.00
 2 (iii) temporary license, each insurer..... 5.00
 3 (i) nonresident agent's license, life, disability
 4 insurance:
 5 (i) application for original license, including
 6 issuance of license, if issued, each insurer..... 100.00
 7 (ii) annual continuation or renewal of license, each
 8 insurer..... 100.00
 9 (j) examination for license as agent or solicitor,
 10 each examination 10.00
 11 (k) surplus line agent's license:
 12 (i) application for original license and for issuance
 13 of license, if issued..... 25.00
 14 (ii) annual renewal or continuation of license... 25.00
 15 (l) adjuster's license:
 16 (i) application for original license and for issuance
 17 of license, if issued..... 10.00
 18 (ii) annual continuation or renewal of license... 10.00
 19 (m) insurance vending machine license, each machine,
 20 each year 10.00
 21 (n) commissioner's certificate under seal (except when
 22 on certificates of authority or licenses)..... 3.00
 23 (o) copies of documents on file in the commissioner's
 24 office, per page..... .50
 25 (p) policy forms:

1 (i) filing each policy form..... 25.00
 2 (ii) filing each application, rider, endorsement,
 3 amendment, insert page, schedule or of rates, and
 4 clarification of risks..... 10.00
 5 (iii) maximum charge if policy and all forms submitted
 6 at one time or resubmitted for approval within 180 days.....
 7 50.00
 8 (2) The commissioner shall promptly deposit with the
 9 state treasurer to the credit of the general fund of this
 10 state all fees and licenses received by him under this
 11 section."
 12 Section 11. Section 33-2-833, MCA, is amended to read:
 13 "33-2-833. Obligations of home---owners---loan
 14 corporations, federal housing administrator, and national
 15 mortgage associations. Notwithstanding other provisions of
 16 the law, it shall be lawful for any insurance company
 17 operating under the laws of this state to invest the funds
 18 or--moneys in their its custody or possession, eligible for
 19 investment, in--bonds-of-the-home-owners---loan--corporations
 20 in debentures issued by the federal housing administrator
 21 and in obligations of national mortgage associations."
 22 Section 12. Section 33-2-1103, MCA, is amended to
 23 read:
 24 "33-2-1103. Additional investment authority --
 25 exemption from other investment restrictions --"

1 determination of qualification -- divestiture. (1) In
 2 addition to investments in common stock, preferred stock,
 3 debt obligations, and other securities permitted under all
 4 other sections of parts 10 and 11 of this chapter, a
 5 domestic insurer may also:

6 (a) invest, in common stock, preferred stock, debt
 7 obligations, and other securities of one or more
 8 subsidiaries, amounts which do not exceed the lesser of 5%
 9 of such insurer's assets or 50% of such insurer's surplus as
 10 regards policyholders, provided that after such investments
 11 the insurer's surplus as regards policyholders will be
 12 reasonable in relation to the insurer's outstanding
 13 liabilities and adequate to its financial needs. In
 14 calculating the amount of such investments, there shall be
 15 included total net moneys or other consideration expended
 16 and obligations assumed in the acquisition or formation of a
 17 subsidiary, including all organizational expenses and
 18 contributions to capital and surplus of such subsidiary
 19 whether or not represented by the purchase of capital stock
 20 or issuance of other securities, and all amounts expended in
 21 acquiring additional common stock, preferred stock, debt
 22 obligations, and other securities and all contributions to
 23 the capital or surplus of a subsidiary subsequent to its
 24 acquisition or formation.

25 (b) if the insurer's total liabilities, as calculated

1 for national association of insurance commissioners annual
 2 statement purposes, are less than 10% of assets, invest any
 3 amount in common stock, preferred stock, debt obligations,
 4 and other securities of one or more subsidiaries, provided
 5 that after such investment, the insurer's surplus as
 6 regards policyholders, considering such investment as if it
 7 were a disallowed asset, will be reasonable in relation to
 8 the insurer's outstanding liabilities and adequate to its
 9 financial needs;

10 (c) invest any amount in common stock, preferred
 11 stock, debt obligations, and other securities of one or more
 12 subsidiaries, provided that each such subsidiary agrees to
 13 limit its investments in any asset so that such investments
 14 will not cause the amount of the total investment of the
 15 insurer to exceed any of the investment limitations
 16 specified in this [section]. The total investment of the
 17 insurer shall include:

18 (i) any direct investment by the insurer in an asset;
 19 (ii) the insurer's proportionate share of any
 20 investment in an asset by any subsidiary of the insurer,
 21 which shall be calculated by multiplying the amount of the
 22 subsidiary's investment by the percentage of the insurer's
 23 ownership of such subsidiary.

24 (d) with the approval of the commissioner, invest any
 25 amount in common stock, preferred stock, debt obligations,

1 or other securities of one or more subsidiaries, provided
 2 that after such investment, the insurer's surplus as regards
 3 policyholders will be reasonable in relation to the
 4 insurer's outstanding liabilities and adequate to its
 5 financial needs;

6 (e) invest any amount in the common stock, preferred
 7 stock, debt obligations, or other securities of any
 8 subsidiary exclusively engaged in holding title to or
 9 holding title to and managing or developing real or personal
 10 property if, after considering as a disallowed asset so much
 11 of the investment as is represented by subsidiary assets
 12 which if held directly by the insurer would be considered as
 13 a disallowed asset, the insurer's surplus as regards
 14 policyholders will be reasonable in relation to the
 15 insurer's outstanding liabilities and adequate to its
 16 financial needs and if following such investment all voting
 17 securities of such subsidiary would be owned by the insurer.

18 (2) Investments in common stock, preferred stock, debt
 19 obligations, or other securities of subsidiaries made
 20 pursuant to subsection (1) hereof shall not be subject
 21 to any of the otherwise applicable restrictions or
 22 prohibitions contained in parts 10 and 11 of this chapter
 23 applicable to such investments of insurers.

24 (3) Whether any investment pursuant to subsection (1)
 25 meets the applicable requirements thereof is to be

1 determined immediately after such investment is made, taking
 2 into account the then outstanding principal balance on all
 3 previous investments in debt obligations and the value of
 4 all previous investments in equity securities as of the date
 5 they were made.

6 (4) If an insurer ceases to control a subsidiary, it
 7 shall dispose of any investment therein made pursuant to
 8 this section within 3 years from the time of the cessation
 9 of control or within such further time as the commissioner
 10 may prescribe, unless at any time after such investment
 11 shall have been made, such investment shall have met the
 12 requirements for investment under any other section of parts
 13 10 and 11 of this chapter and the insurer has notified the
 14 commissioner thereof."

15 Section 13. Section 33-3-215, MCA, is amended to read:
 16 "33-3-215. Mutualization of stock insurer. (1) A stock
 17 insurer other than a title insurer may become a mutual
 18 insurer under such a plan and procedure as may be approved
 19 by the commissioner after a hearing thereon.

20 (2) The commissioner shall not approve any such plan,
 21 procedure, or mutualization unless:

22 (a) it is equitable to stockholders and policyholders;
 23 (b) it is subject to approval by the holders of not
 24 less than three-fourths of the insurer's outstanding capital
 25 stock having voting rights and by not less than two-thirds

1 of the insurer's policyholders who vote on such plan in
 2 person, by proxy, or by mail pursuant to such notice and
 3 procedure as may be approved by the commissioner;

4 (c) if a life insurer, the right to vote thereon is
 5 limited to holders of policies other than term or group
 6 policies and whose policies have been in force for more than
 7 1 year;

8 (d) mutualization will result in retirement of shares
 9 of the insurer's capital stock at a price not in excess of
 10 the fair market value thereof as determined by competent
 11 disinterested appraisers;

12 (e) the plan provides for the purchase of the shares
 13 of any nonconsenting stockholder in the same manner and
 14 subject to the same applicable conditions as provided by
 15 ~~§5-1905v-RevM-1947; Title 35, chapter 1, part 8,~~ as to
 16 rights of nonconsenting stockholders, with respect to
 17 consolidation or merger of private corporations;

18 (f) the plan provides for definite conditions to be
 19 fulfilled by a designated early date upon which such
 20 mutualization will be deemed effective; and

21 (g) the mutualization leaves the insurer with surplus
 22 funds reasonably adequate for the security of its
 23 policyholders and to enable it to continue successfully in
 24 business in the states in which it is then authorized to
 25 transact insurance and for the kinds of insurance included

1 in its certificates of authority in such states.

2 (3) This section shall not apply to mutualization
 3 under order of court pursuant to rehabilitation or
 4 reorganization of an insurer under chapter 2, part 9."

5 Section 14. Section 33-3-217, MCA, is amended to read:

6 "33-3-217. Mergers and consolidations of stock
 7 insurers. (1) A domestic stock insurer may merge or
 8 consolidate with one or more domestic or foreign stock
 9 corporations authorized to transact business in this state
 10 and by complying with the applicable provisions of the
 11 statutes of this state governing the merger or consolidation
 12 of stock corporations formed for profit but subject to
 13 subsections (2) and (3) below.

14 (2) No such merger or consolidation shall ~~may~~ be
 15 effectuated unless in advance thereof the plan and agreement
 16 therefor have been filed with the commissioner and approved
 17 in writing by him after a hearing thereon. The commissioner
 18 shall give such approval within a reasonable time after such
 19 filing unless he finds such plan or agreement:

20 (a) is contrary to law;

21 (b) inequitable to the stockholders of any domestic
 22 insurer involved; or

23 (c) would substantially reduce the security of and
 24 service to be rendered to policyholders of the domestic
 25 insurer in this state or elsewhere.

1 (3) No director, officer, agent, or employee of any
2 insurer party to such merger or consolidation shall max
3 receive any fees, commission, compensation, or other valuable
4 consideration whatsoever for in any manner aiding,
5 promoting, or assisting therein except as set forth in such
6 plan or agreement.

7 (4) If the commissioner does not approve any such plan
8 or agreement he shall so notify the insurer in writing
9 specifying his reasons therefor.

10 (5) If any domestic insurer involved in the proposed
11 merger or consolidation is authorized to transact insurance
12 also in other states, the commissioner may request the
13 insurance commissioner, director of insurance,
14 superintendent of insurance, or other similar public
15 insurance supervisory official of the two other such states
16 in which such insurer has in force the larger amounts of
17 insurance to participate in the hearing provided for under
18 subsection (2) above, with full right to examine all
19 witnesses and evidence and to offer to the commissioner such
20 pertinent information and suggestions as they may deem
21 proper.

22 (b) Any plan or proposal through which a stock insurer
23 proposes to acquire a controlling stock interest in another
24 stock insurer through an exchange of stock of the first
25 insurer, issued by the insurer for the purpose, for such

1 controlling stock of the second insurer is deemed to be a
2 plan or proposal of merger of the second insurer into the
3 first insurer for the purposes of this section and is
4 subject to the applicable provisions hereof.

5 (7) Upon merger or consolidation of a domestic insurer
6 with another insurer under this chapter, the corporate
7 charter of such merged or consolidated domestic insurer
8 shall thereby thereby automatically be extinguished and
9 nullified."

10 Section 15. Section 33-5-201, MCA, is amended to read:
11 "33-5-201. Organization of reciprocal insurer. (1)
12 Twenty-five or more persons domiciled in this state may
13 organize a domestic reciprocal insurer and make application
14 to the commissioner for a certificate of authority to
15 transact insurance.

16 (2) The proposed attorney shall fulfill the
17 requirements of and shall execute and file with the
18 commissioner when applying for a certificate of authority a
19 declaration setting forth:

20 (a) the name of the insurer;
21 (b) the location of the insurer's principal office,
22 which shall be the same as that of the attorney and shall be
23 maintained within this state;

24 (c) the kinds of insurance proposed to be transacted;
25 (d) the names and addresses of the origin-

1 subscribers;

2 (e) the designation and appointment of the proposed
3 attorney and a copy of the power of attorney;

4 (f) the names and addresses of the officers and
5 directors of the attorney, if a corporation, or its members,
6 if a firm;

7 (g) the powers of the subscribers' advisory committee
8 and the names and terms of office of the members thereof;

9 (h) that all moneys paid to the reciprocal [insurer]
10 shall, after deducting therefrom any sum payable to the
11 attorney, be held in the name of the insurer and for the
12 purposes specified in the subscribers' agreement;

13 (i) a copy of the subscribers' agreement;

14 (j) a statement that each of the original subscribers
15 has in good faith applied for insurance of a kind proposed
16 to be transacted and that the insurer has received from each
17 such subscriber the full premium or premium deposit required
18 for the policy applied for, for a term of not less than 6
19 months at an adequate rate theretofore filed with and
20 approved by the commissioner;

21 (k) a statement of the financial condition of the
22 insurer, a schedule of its assets, and a statement that the
23 surplus as required by 33-5-401 is on hand; and

24 (l) a copy of each policy, endorsement, and
25 application form it then proposes to issue or use.

1 (3) Such [the] declaration shall be acknowledged by the
2 attorney in the manner required for the acknowledgment of
3 deeds."

4 Section 16. Section 33-7-514, MCA, is amended to read:
5 "33-7-514. Standard provisions. (1) After January 1,
6 1962, no life benefit certificate shall ~~may~~ be delivered or
7 issued for delivery in this state unless a copy of the form
8 has been filed with the commissioner.

9 (2) The certificate shall ~~must~~ contain in substance
10 the following standard provisions or, in lieu thereof,
11 provisions which are more favorable to the member:

12 (a) title on the face and filing page of the
13 certificate clearly and correctly describing its form;

14 (b) a provision stating the amount of rates, premiums,
15 or other required contributions, by whatever name known,
16 which are payable by the insured under the certificate;

17 (c) a provision that the member is entitled to a grace
18 period of not less than a full month (or 30 days at the
19 option of the society) in which the payment of any premium
20 after the first may be made. During such grace period the
21 certificate shall ~~must~~ continue in full force, but in case
22 the certificate becomes a claim during the grace period
23 before the overdue payment is made, the amount of such
24 overdue payment or payments may be deducted in any
25 settlement under the certificate.

1 (d) a provision that the member ~~shall~~ be is entitled
 2 to have the certificate reinstated at any time within 3
 3 years from the due date of the premium in default, unless
 4 the certificate has been completely terminated through the
 5 application of a nonforfeiture benefit, cash surrender
 6 value, or certificate loan, upon the production of evidence
 7 of insurability satisfactory to the society and the payment
 8 of all overdue premiums and any other indebtedness to the
 9 society upon the certificate, together with interest on such
 10 premiums and such indebtedness, if any, at a rate not
 11 exceeding 6% per annum compounded annually;

12 (e) except in the case of pure endowment, annuity or
 13 reversionary annuity contracts, reducing term insurance
 14 contracts, or contracts of term insurance of uniform amount
 15 of 15 years or less expiring before age 66, a provision
 16 that, in the event of default in payment of any premium
 17 after 3 full years' premiums have been paid or after
 18 premiums for a lesser period have been paid if the contract
 19 so provides, the society will grant, upon proper request not
 20 later than 60 days after the due date of the premium in
 21 default, a paid-up nonforfeiture benefit on the plan
 22 stipulated in the certificate, effective as of such due
 23 date, of such value as specified in this chapter. The
 24 certificate may provide, if the society's laws so specify or
 25 if the member ~~shall~~ so elects prior to the expiration

1 of the grace period of any overdue premium, that default
 2 ~~shall~~ may not occur so long as premiums can be paid under
 3 the provisions of an arrangement for automatic premium loan
 4 as may be set forth in the certificate.

5 (f) a provision that one paid-up nonforfeiture benefit
 6 as specified in the certificate ~~shall~~ ~~must~~ become effective
 7 automatically unless the member elects another available
 8 paid-up nonforfeiture benefit, not later than 60 days after
 9 the due date of the premium in default;

10 (g) a statement of the mortality table and rate of
 11 interest used in determining all paid-up nonforfeiture
 12 benefits and cash surrender options available under the
 13 certificate and a brief general statement of the method used
 14 in calculating such benefits;

15 (h) a table showing in figures the value of every
 16 paid-up nonforfeiture benefit and cash surrender option
 17 available under the certificate for each certificate
 18 anniversary either during the first 20 certificate years or
 19 during the term of the certificate, whichever is shorter;

20 (i) a provision that the certificate ~~shall~~ be is
 21 incontestable after it has been in force during the lifetime
 22 of the member for a period of 2 years from its date of issue
 23 except for nonpayment of premiums, violation of the
 24 provisions of the certificate relating to military,
 25 aviation, or naval service, and violation of the provisions

1 relating to suspension or expulsion as substantially set
 2 forth in the certificate. At the option of the society,
 3 supplemental provisions relating to benefits in the event of
 4 temporary or permanent disability or hospitalization and
 5 provisions which grant additional insurance specifically
 6 against death by accident or accidental means may also be
 7 excepted. The certificate shall be ~~is~~ incontestable on the
 8 grounds of suicide after it has been in force during the
 9 lifetime of the member for a period of 2 years from date of
 10 issue. The certificate may provide, as to statements made to
 11 procure reinstatement, that the society ~~shall have~~ has the
 12 right to contest a reinstated certificate within a period of
 13 2 years from date of reinstatement with the same exceptions
 14 as herein provided.

15 (j) a provision that in case the age of the member or
 16 of any other person is considered in determining the premium
 17 and it is found at any time before final settlement under
 18 the certificate that the age has been misstated, and the
 19 discrepancy and premium involved have not been adjusted, the
 20 amount payable shall be such as the premium would have
 21 purchased at the correct age; but if the correct age was not
 22 an insurable age under the society's charter or laws, only
 23 the premiums paid to the society, less any payments
 24 previously made to the member, shall be returned or, at the
 25 option of the society, the amount payable under the

1 certificate shall be such as the premium would have
 2 purchased at the correct age according to the society's
 3 promulgated rates and any extension thereof based on
 4 actuarial principles;

5 (k) a provision or provisions which recite fully or
 6 which set forth the substance of all sections of the
 7 charter, constitution, laws, or rules of the society in
 8 force at the time of issuance of the certificate, the
 9 violation of which will result in the termination of or in
 10 the reduction of the benefit or benefits payable under the
 11 certificate; and

12 (l) if the constitution or laws of the society provide
 13 for expulsion or suspension of a member, a provision that
 14 any member so expelled or suspended, except for nonpayment
 15 of a premium or within the contestable period for material
 16 misrepresentations in such member's application for
 17 membership, shall have the privilege of maintaining his
 18 insurance in force by continuing payment of the required
 19 premium.

20 (3) Any of the foregoing provisions or portions
 21 thereof not applicable by reason of the plan of insurance or
 22 because the certificate is an annuity certificate may, to
 23 the extent inapplicable, be omitted from the certificate."

24 Section 17. Section 33-10-217, MCA, is amended to
 25 read:

1 "33-10-217. Prevention of impairments. To aid in the
 2 detection and prevention of insurer impairments the board of
 3 directors is given the following powers and duties:

4 (1) The board of-directors shall, upon majority vote,
 5 notify the commissioner of any information indicating any
 6 member insurer may be unable or potentially unable to
 7 fulfill its contractual obligations.

8 (2) The board of-directors may, upon majority vote,
 9 request that the commissioner order an examination of any
 10 member insurer which the board in good faith believes may be
 11 unable or potentially unable to fulfill its contractual
 12 obligations.

13 (3) The board of-directors may, upon majority vote,
 14 make reports and recommendations to the commissioner upon
 15 any matter germane to the solvency, liquidation,
 16 rehabilitation, or conservation of any member insurer. Such
 17 reports and recommendations shall not be considered public
 18 documents.

19 (4) The board of-directors may, upon majority vote,
 20 make recommendations to the commissioner for the detection
 21 and prevention of insurer impairments.

22 (5) The board of-directors shall, at the conclusion of
 23 any insurer impairment in which the association carried out
 24 its duties under this part or exercised any of its powers
 25 under this part, prepare a report on the history and causes

1 of such impairments, based on the information available to
 2 the association, and submit such report to the
 3 commissioner."

4 Section 18. Section 33-10-229, MCA, is amended to
 5 read:

6 "33-10-229. Recovery of dividends. (1) If an order for
 7 liquidation or rehabilitation of an insurer domiciled in
 8 this state has been entered, the receiver appointed under
 9 such order ~~shall have~~ has a right to recover on behalf of
 10 the insurer, from any affiliate that controlled it, the
 11 amount of distributions, other than stock dividends paid by
 12 the insurer on its capital stock, made at any time during
 13 the 5 years preceding the petition for liquidation or
 14 rehabilitation subject to the limitations of subsections (2)
 15 through (4).

16 (2) No such dividend ~~shall be~~ is recoverable if the
 17 insurer shows that when paid the distribution was lawful and
 18 reasonable and that the insurer did not know and could not
 19 reasonably have known that the distribution might adversely
 20 affect the ability of the insurer to fulfill its contractual
 21 obligations.

22 (3) Any person who ~~as~~ was an affiliate that controlled
 23 the insurer at the time the distributions were paid ~~shall be~~
 24 is liable up to the amount of distributions he received.
 25 Any person who was an affiliate that controlled the insurer

1 at the time the distributions were declared shall-be is
 2 liable up to the amount of distributions he would have
 3 received if they had been paid immediately. If two persons
 4 are liable with respect to the same distributions, they
 5 shall-be are jointly and severally liable.

6 (4) The maximum amount recoverable under this section
 7 shall-be is the amount needed in excess of all other
 8 available assets of the impaired insurer to pay the
 9 contractual obligations of the impaired insurer.

10 (5) If any person liable under subsection (3) is
 11 insolvent, all its affiliates that controlled it at the time
 12 the dividend was paid shall-be are jointly and severally
 13 liable for any resulting deficiency in the amount recovered
 14 from the insolvent affiliate."

15 Section 19. Section 33-17-203, MCA, is amended to
 16 read:

17 "33-17-203. General qualification for license as life
 18 or disability insurance agent. For the protection of the
 19 people of this state the commissioner shall ~~may~~ not issue,
 20 continue, or permit to exist any agent license as to life or
 21 disability insurance except in compliance with this chapter,
 22 or-as-to-any to additions the individual not-qualified
 23 therefor must qualify as follows:

24 (1) must be 18 years of age or more;
 25 (2) must be a resident in and of this state or of

1 another state if by reciprocal arrangements made by the
 2 commissioner with such other state similar privileges
 3 therein are granted to residents of this state;
 4 (3) must have been appointed as such an agent by an
 5 authorized insurer, subject to issuance of the license;
 6 (4) must be competent, trustworthy, and of good
 7 reputation;
 8 (5) must have had experience or training or be
 9 otherwise adequately qualified in the kind or kinds of
 10 insurance as to which he is to be licensed and be
 11 reasonably familiar with the provisions of this code
 12 governing his operations as such an agent and with the
 13 provisions of the policies and contracts he proposes to
 14 offer under the license;

15 (6) must pass any written examination for the license
 16 required under this chapter;

17 (7) must not use or intend to use the license
 18 principally for the writing of insurance on the lives or
 19 interests of himself or his relatives to the second degree;

20 (8) must not be a funeral director, undertaker, or
 21 mortician or an officer, employee, or representative
 22 thereof."

23 Section 20. Section 33-17-211, MCA, is amended to
 24 read:

25 "33-17-211. Application for license. (1) Application

1 for an agent or solicitor license shall ~~must~~ be made to the
2 commissioner by the applicant and be signed and sworn to by
3 the applicant before a notary public or other person
4 authorized by law to take acknowledgments of deeds.

5 (2) The commissioner shall designate and prepare forms
6 for application for license which shall ~~must~~ require full
7 answers to such questions as may reasonably be necessary to
8 determine the applicant's identity, residence, personal
9 history, business record, experience and training in
10 insurance, purpose for which the license is to be used, and
11 other facts as required by the commissioner to determine
12 whether the applicant meets the applicable qualifications
13 for the license applied for.

14 (3) If for an agent's license, the application shall
15 ~~must~~ state the kinds of insurance proposed to be transacted
16 and be accompanied by written appointment of the applicant
17 as agent by an authorized insurer, subject to issuance of
18 the license.

19 (4) If for a solicitor's license, the application
20 shall ~~must~~ be accompanied by written appointment of
21 applicant as solicitor by a licensed agent, subject to
22 issuance of the license.

23 (5) If the applicant for an agent license is a firm or
24 corporation, the application shall show, in addition, the
25 names of all members, officers, and directors and shall

1 designate each individual who is to exercise the powers to
2 be conferred by the license upon the firm or corporation.
3 Each such individual so designated shall furnish information
4 as to himself, as part of the application, as though for an
5 individual license.

6 (6) If the applicant for an agent license is an
7 agents' association pursuant to 33-17-205, the application
8 shall ~~must~~ show the names and residence addresses of the
9 association's officers and trustees.

10 (7) If for license as either agent or solicitor, the
11 application shall ~~must~~ also show whether applicant was ever
12 previously licensed to transact any kind of insurance in
13 this state or elsewhere; whether any such license was ever
14 refused, suspended, or revoked; whether any insurer, general
15 agent, or agent, in the case of a solicitor application,
16 claims applicant to be indebted to it and, if so, the
17 details thereof and the defenses, if any, of the applicant
18 thereto; whether applicant ever had an agency contract
19 canceled and the facts thereof; and if applicant is married,
20 like information with respect to the applicant's spouse.

21 (8) The commissioner shall require as part of the
22 application for license the certificate of an officer or
23 representative of the insurer proposed to be represented, in
24 the case of applicants for license as agent, or of the
25 proposed employing agent, in the case of applicants for

1 license as solicitor, as to whether the applicant is known
 2 to such officer or representative, whether the insurer or
 3 agent has investigated the character and business record of
 4 the applicant and the uses to be made of the license, if
 5 granted, and his opinion, based on such investigation, as to
 6 applicant's trustworthiness and competence and whether the
 7 applicant will use the license principally for the purpose
 8 of insuring the applicant's own risks or interests and those
 9 of the applicant's relatives or employer.

10 (9) All such applications ~~shall~~ ~~must~~ be accompanied by
 11 the applicable license fee, appointment of agent fee where
 12 applicable, and examination fee where required under
 13 33-17-212, all in the respective amounts stated in
 14 33-2-708."

15 Section 21. Section 33-17-213, MCA, is amended to
 16 read:

17 "33-17-213. Conduct of examinations. (1) The
 18 commissioner shall make any examination required under
 19 33-17-212 available to applicants with reasonable frequency
 20 and at a place in this state reasonably accessible to such
 21 the applicants. The commissioner shall make any such
 22 examination available at his offices at Helena, Montana, at
 23 times within his discretion but at least once a month.

24 (2) All the kinds of insurance or ~~class~~ classes
 25 thereof, as referred to in 33-17-212(3), which the applicant

1 proposes to transact under the license applied for shall be
 2 included in the same examination.

3 (3) The commissioner shall give, conduct, and grade
 4 all examinations in a fair and impartial manner and without
 5 unfair discrimination as between individuals examined.

6 (4) The commissioner may require a reasonable waiting
 7 period before reexamination of an applicant who has failed
 8 to pass a previous examination covering the same kind or
 9 kinds of insurance."

10 Section 22. Section 33-17-1004, MCA, is amended to
 11 read:

12 "33-17-1004. Acting as insurance agent, solicitor, or
 13 adjuster without license -- penalty. Any person, firm,
 14 association, or corporation who or which, in this state,
 15 acts as an insurance agent, solicitor, or adjuster without
 16 having authority to do so by virtue of a license issued and
 17 in force pursuant to the provisions of this chapter ~~shall~~
 18 ~~upon--conviction--be~~ is guilty of a misdemeanor and ~~upon~~
 19 ~~conviction~~ ~~shall~~ be fined \$500 or imprisoned in the county
 20 jail for 90 days or both ~~such-fine-and-imprisonment~~."

21 Section 23. Section 33-18-301, MCA, is amended to
 22 read:

23 "33-18-301. Prohibited relations with mortuaries. (1)
 24 No life insurer ~~shall~~ ~~may~~ own, manage, supervise, operate,
 25 or maintain any mortuary, funeral, or undertaking

1 establishment or permit its officers, employees, or
 2 representatives to own, operate, maintain, or be employed in
 3 any such business.

4 (2) No life insurer shall ~~may~~ contract or agree with
 5 any funeral director, mortuary, or undertaker to the effect
 6 that such funeral director, undertaker, or mortuary shall
 7 conduct the funeral of any person insured by such insurer.

8 (3) Each violation of this section ~~shall~~--constitute
 9 constitutes a misdemeanor punishable by a fine of not more
 10 than \$1,000 or by imprisonment at-hard-labor for not more
 11 than 6 months or by both such fine and imprisonment in the
 12 discretion of the court."

13 Section 24. Section 33-20-213, MCA, is amended to
 14 read:

15 "33-20-213. Operative date. After July 1, 1945, any
 16 insurer could have filed with the state auditor a written
 17 notice of its election to comply with the provisions of this
 18 part, ~~except 33-20-206 and 33-20-207~~, after a specified date
 19 before January 1, 1948, with respect to the policies
 20 specified in the notice. After the filing of such notice,
 21 then upon such specified date (which shall be the operative
 22 date for such insurer with respect to such policies), this
 23 part, ~~except 33-20-206 and 33-20-207~~, shall have become
 24 operative with respect to the policies specified in such
 25 notice thereafter issued by such insurer. As to all of its

1 policies and contracts with respect to which an insurer
 2 makes no such election, the operative date of this part,
 3 except ~~33-20-206 and 33-20-207~~, with respect to such
 4 policies and contracts for such insurer is January 1, 1948."

5 Section 25. Section 33-20-1111, MCA, is amended to
 6 read:

7 "33-20-1111. Dependents of employee and labor union
 8 groups -- coverage. Any group life policy issued under
 9 33-20-1101, 33-20-1102, or 33-20-1103, may be extended to
 10 insure the employees or members against loss due to the
 11 death of their spouses and minor children, or any class or
 12 classes thereof, subject to the following requirements:

13 (1) The premium for the insurance shall be paid by the
 14 policyholder, either from the employer's or union's funds or
 15 funds contributed by the employer or union or from funds
 16 contributed by the insured employees or members, or from
 17 both. If any part of the premium is to be derived from funds
 18 contributed by the insured employees or members, the
 19 insurance with respect to spouses and children may be placed
 20 in force only if at least 75% of the then eligible employees
 21 or members, excluding any as to whose family members
 22 evidence of insurability is not satisfactory to the insurer,
 23 elect to make the required contribution. If no part of the
 24 premium is to be derived from funds contributed by the
 25 employees or members, all eligible employees or members,

1 excluding any as to whose family members evidence of
 2 insurability is not satisfactory to the insurer, must be
 3 insured with respect to their spouses and children.

4 (2) The amounts of insurance must be based upon some
 5 plan precluding individual selection either by the employees
 6 or members or by the policyholder, employer, or union.

7 (3) Upon termination of the insurance with respect to
 8 the members of the family of any employee or member by
 9 reason of the employee's or member's termination of
 10 employment, termination of membership in the class or
 11 classes eligible for coverage under the policy, or death,
 12 the spouse ~~shall be~~ is entitled to have issued by the
 13 insurer, without evidence of insurability, an individual
 14 policy of life insurance, without disability or other
 15 supplementary benefits, providing application for the
 16 individual policy shall be made, and the first premium paid
 17 to the insurer, within 31 days after such termination,
 18 subject to the requirements of subsections (1), (2), and (3)
 19 of [33-20-1208] 33-20-1209. If the group policy terminates
 20 or is amended so as to terminate the insurance of any class
 21 of employees or members and the employee or member is
 22 entitled to have issued an individual policy under
 23 33-20-1210, the spouse ~~shall~~ is also be entitled to have
 24 issued by the insurer an individual policy, subject to the
 25 conditions and limitations provided above. If the spouse

1 dies within the period during which he would have been
 2 entitled to have an individual policy issued in accordance
 3 with this provision, the amount of life insurance which he
 4 would have been entitled to have issued under such
 5 individual policy shall be payable as a claim under the
 6 group policy, whether or not application for the individual
 7 policy or the payment of the first premium therefor has been
 8 made.

9 (4) Notwithstanding 33-20-1208, only one certificate
 10 need be issued for delivery to an insured person if a
 11 statement concerning any dependent's coverage is included in
 12 such certificate."

13 Section 26. Section 33-22-202, MCA, is amended to
 14 read:

15 "33-22-202. Required provisions -- captions --
 16 omissions -- substitutions -- order. (1) Except as provided
 17 in subsection (2) below, each such policy delivered or
 18 issued for delivery to any person in this state ~~shall~~ must
 19 contain the provisions specified in 33-22-204 through
 20 33-22-215, in the words in which the same appear, except
 21 that the insurer may, at its option, substitute for one or
 22 more of such provisions corresponding provisions of
 23 different wording approved by the commissioner which are in
 24 each instance not less favorable in any respect to the
 25 insured or the beneficiary. Each such provision ~~shall~~ must

1 be preceded individually by the applicable caption shown or
 2 at the option of the insurer, by such appropriate individual
 3 or group captions or subcaptions as the commissioner may
 4 approve.

5 (2) If any such provision is in whole or in part
 6 inapplicable to or inconsistent with the coverage provided
 7 by a particular form of policy, the insurer, with the
 8 approval of the commissioner, shall omit from such policy
 9 any inapplicable provision or part of a provision and shall
 10 modify any inconsistent provision or part of a provision in
 11 such manner as to make the provision as contained in the
 12 policy consistent with the coverage provided by the policy.

13 (3) The provisions which are the subject of ~~40-4007~~
 14 ~~to-40-4030; 33-22-204 through 33-22-232~~ or any corresponding
 15 provisions which are used in lieu thereof in accordance with
 16 such sections shall be printed in the consecutive order of
 17 the provisions in such sections or, at the option of the
 18 insurer, any such provision may appear as a unit in any part
 19 of the policy with other provisions to which it may be
 20 logically related, provided that the resulting policy shall
 21 not be in whole or in part unintelligible, uncertain,
 22 ambiguous, abstruse, or likely to mislead a person to whom
 23 the policy is offered, delivered, or issued."

24 Section 27. Section 33-17-216, MCA, is amended to
 25 read:

1 "33-17-216. Temporary agent licenses -- fees. (1) The
 2 commissioner may issue a temporary license as agent to or
 3 with respect to an individual qualified therefor only as to
 4 age, residence, and trustworthiness and without requiring
 5 such individual to take an examination, in the following
 6 cases:

7 (a) to the surviving spouse or next of kin or to the
 8 administrator or executor, or the employee of such
 9 administrator or executor, of a licensed agent becoming
 10 deceased upon such agent's death;

11 (b) to the spouse, next of kin, employee, or legal
 12 guardian of a licensed agent disabled by sickness, injury,
 13 or insanity physical or mental illness;

14 (c) to an employee of a firm, or officer or employee
 15 of a corporation, licensed as agent, upon the death or
 16 disability of an individual designated in the license to
 17 exercise the powers thereof;

18 (d) to the designee of a licensed agent entering upon
 19 active service in the armed forces of the United States of
 20 America;

21 (e) upon the request of the insurer, to an applicant
 22 for a license as a life insurance agent, pending the taking
 23 of any examination required of the applicant by the
 24 commissioner under 33-17-212, if the applicant is duly
 25 enrolled in and is actively pursuing an adequate course of

1 instruction, as provided by or through the insurer, in
 2 preparation for such examination. Such license shall be for
 3 a period of not over 90 days or until the applicant has had
 4 a reasonable opportunity to take such examination and be
 5 informed by the commissioner as to the results thereof,
 6 whichever is the shorter period, but subject to extension by
 7 the commissioner as provided in subsection (3) below.

8 (2) The temporary license shall be issued upon
 9 application filed with the commissioner in such form and
 10 containing such information as the commissioner may
 11 reasonably require and upon payment of the applicable fee as
 12 stated in 33-2-708.

13 (3) The temporary license shall be for a period of not
 14 over 90 days, subject to extension by the commissioner in
 15 his discretion for an additional period of not more than 90
 16 days, except that such a license issued pursuant to
 17 subsection (1)(a) above may be continued without payment of
 18 an additional fee until the executor or administrator
 19 disposes of the insurance business but not to exceed a
 20 period of 15 months. ~~Temporary~~ A temporary license issued
 21 to the next of kin under such subsection (1)(a) shall not
 22 be extended for an additional term or--terms after the
 23 appointment and qualification of such an administrator or
 24 executor.

25 (4) The fee paid for the temporary license may be

1 applied upon the fee required for any a permanent license
 2 issued to the licensee upon or prior to expiration of the
 3 temporary license and covering the same kinds of insurance." §

4 Section 28. Section 33-20-121, MCA, is amended to
 5 read:

6 "33-20-121. Prohibited provisions -- limitations on
 7 liability. (1) No policy of life insurance shall may be
 8 delivered or issued for delivery in this state if it
 9 contains any of the following provisions:

10 (a) a provision for a period shorter than that
 11 provided by statute within which an action at law or in
 12 equity may be commenced on such--the policy;

13 (b) a provision which excludes or restricts liability
 14 for death caused in a certain specified manner or occurring
 15 while the insured has a specified status, except that a
 16 policy may contain provisions excluding or restricting
 17 coverage as specified therein in the event of death under
 18 any one or more of the following circumstances:

19 (i) death as a result, directly or indirectly, of war,
 20 declared or undeclared, or of action by military forces or
 21 of any act or hazard of such war or action or of service in
 22 the military, naval, or air forces or in civilian forces
 23 auxiliary thereto or from any cause while a member of such
 24 military, naval, or air forces of any country at war,
 25 declared or undeclared, or of any country engaged in such

1 military action;

2 (ii) death as a result of aviation or any air travel or

3 flight;

4 (iii) death as a result of a specified hazardous

5 occupation or occupations;

6 (iv) death while the insured is a resident outside the

7 continental United States and Canada; or

8 (v) death within 2 years from the date of issue of the

9 policy as a result of suicide, while sane--or--insane

10 seriously mentally ill or otherwise.

11 (2) A policy which contains any exclusion or

12 restriction pursuant to subsection (1) of this section shall

13 also provide that in the event of death under the

14 circumstances to which any such exclusion or restriction is

15 applicable, the insurer will pay an amount not less than a

16 reserve determined according to the commissioner's reserve

17 valuation method upon the basis of the mortality table and

18 interest rate specified in the policy for the calculation of

19 nonforfeiture benefits (or if the policy provides for no

20 such benefits, computed according to a mortality table and

21 interest rate determined by the insurer and specified in the

22 policy) with adjustment for indebtedness or dividend credit.

23 (3) This section ~~shall~~ does not apply to industrial

24 life insurance, group life insurance, disability insurance,

25 reinsurance, or annuities, or to any provision in a life

1 insurance policy relating to disability benefits or to

2 additional benefits in the event of death by accident or

3 accidental means.

4 (4) Nothing contained in this section ~~shall~~--prohibit

5 prohibits any provision which in the opinion of the

6 commissioner is more favorable to the policyholder than a

7 provision permitted by this section."

8 Section 29. Repealer. Section 40-1723, R.C.M. 1947, is

9 repealed.

-End-