

House Bill 574

In The House

January 30, 1981	Introduced and referred to Committee on Business and Industry.
February 17, 1981	Committee recommend bill do pass.
February 18, 1981	Bill printed and placed on members' desks.
February 19, 1981	Motion pass consideration until 41st legislative day.
February 21, 1981	Second reading do pass.
February 23, 1981	Considered correctly engrossed.
February 24, 1981	Third reading passed.

In The Senate

March 2, 1981	Introduced and referred to Committee on Business and Industry.
March 24, 1981	Committee recommend bill not concurred.

In The House

March 25, 1981	Returned from Senate not concurred.
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1 HOUSE BILL NO. 574
2 INTRODUCED BY Kitselman
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE INSURANCE
5 CODE TO PROVIDE FOR RECIPROCAL COUNTERSIGNATURE REQUIREMENTS
6 ON POLICIES; AMENDING SECTION 33-17-1111, MCA."
7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
9 Section 1. Section 33-17-1111, MCA, is amended to
10 read:
11 "33-17-1111. Resident agent required ~~---reciprocity ---~~
12 countersignature -- records ~~---exceptions.~~ (1) No authorized
13 insurer shall issue a policy covering a subject of insurance
14 resident, located, or to be performed in Montana unless:
15 (a) the policy is written through a licensed agent,
16 resident in Montana, of the insurer; or
17 (b) the policy is written through a licensed
18 nonresident agent and, ~~if a countersignature would be~~
19 ~~required by the resident state of the nonresident agent upon~~
20 ~~a Montana resident agent writing business in the resident~~
21 ~~state of such nonresident agent,~~ the policy or
22 countersignature endorsement attached thereto is
23 countersigned by a Montana resident licensed agent; or
24 ~~(c) the policy is written through a licensed~~
25 ~~nonresident agent who is a resident of a state that does not~~

1 ~~require countersignatures.~~
2 (2) No such countersignature shall be made in blank.
3 The agent may by express written authorization given in
4 advance delegate to his salaried clerical employee the power
5 to so countersign in the name of the agent such contracts or
6 classes of contracts as are designated in such authorization
7 so long as the initials of such employee are written below
8 the agent's name on such countersignature, but the agent
9 shall not thereby delegate or have power to delegate to any
10 other person the power or authority to bind an insurer with
11 respect to any risk not already bound by the agent or other
12 person having clear authority from the insurer so to bind.
13 The agent shall be responsible for all of the acts of such
14 employee within the scope of the authority so delegated. The
15 agent shall keep a record of each and all coverages
16 countersigned by him or by his authority.
17 (3) This section shall not apply to:
18 (a) reinsurance;
19 (b) life insurance, disability insurance, or annuity
20 contracts;
21 (c) insurance of the rolling stock, vessels, or
22 aircraft of any common carrier in interstate or foreign
23 commerce or of any vehicle principally garaged and used in
24 another state or covering any liability or other risks
25 incident to the ownership, maintenance, or operation

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1 thereof;

2 (d) insurance of property in course of transportation
3 interstate or in foreign trade or any liability or risk
4 incident thereto;

5 (e) insurance of wet marine and transportation risks;

6 (f) countersignature to policies issued through agents
7 compensated only by salary or issued by insurers not using
8 agents in the general solicitation of business;

9 (g) bid bonds, as required under Title 18, chapter 1,
10 part 2.

11 (4) Violation of this section shall not invalidate any
12 contract otherwise valid as between the insurer and the
13 insured."

-End-

Approved by Committee
on Business and Industry

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13 insurer shall issue a policy covering a subject of insurance
14 resident, located, or to be performed in Montana unless:

15 (a) the policy is written through a licensed agent,
16 resident in Montana, of the insurer; or

17 (b) the policy is written through a licensed
18 nonresident agent and, if a countersignature would be
19 required by the resident state of the nonresident agent upon
20 a Montana resident agent writing business in the resident
21 state of such nonresident agent, the policy or
22 countersignature endorsement attached thereto is
23 countersigned by a Montana resident licensed agent; or

24 (c) the policy is written through a licensed
25 nonresident agent who is a resident of a state that does not

1 require countersignatures.

2 (2) No such countersignature shall be made in blank.
3 The agent may by express written authorization given in
4 advance delegate to his salaried clerical employee the power
5 to so countersign in the name of the agent such contracts or
6 classes of contracts as are designated in such authorization
7 so long as the initials of such employee are written below
8 the agent's name on such countersignature, but the agent
9 shall not thereby delegate or have power to delegate to any
10 other person the power or authority to bind an insurer with
11 respect to any risk not already bound by the agent or other
12 person having clear authority from the insurer so to bind.
13 The agent shall be responsible for all of the acts of such
14 employee within the scope of the authority so delegated. The
15 agent shall keep a record of each and all coverages
16 countersigned by him or by his authority.

17 (3) This section shall not apply to:

- 18 (a) reinsurance;
- 19 (b) life insurance, disability insurance, or annuity
- 20 contracts;

21 (c) insurance of the rolling stock, vessels, or
22 aircraft of any common carrier in interstate or foreign
23 commerce or of any vehicle principally garaged and used in
24 another state or covering any liability or other risks
25 incident to the ownership, maintenance, or operation

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1 **thereof;**
2 **(d) Insurance of property in course of transportation**
3 **interstate or in foreign trade or any liability or risk**
4 **incident thereto;**
5 **(e) Insurance of wet marine and transportation risks;**
6 **(f) countersignature to policies issued through agents**
7 **compensated only by salary or issued by insurers not using**
8 **agents in the general solicitation of business;**
9 **(g) bid bonds, as required under Title 18, chapter 1,**
10 **part 2.**
11 **(4) Violation of this section shall not invalidate any**
12 **contract otherwise valid as between the insurer and the**
13 **insured."**

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(a) the policy is written through a licensed agent, resident in Montana, of the insurer; or

(b) the policy is written through a licensed nonresident agent and ~~if a countersignature would be required by the resident state of the nonresident agent upon a Montana resident agent writing business in the resident state of such nonresident agent~~, the policy or countersignature endorsement attached thereto is countersigned by a Montana resident licensed agent; or

~~(c) the policy is written through a licensed nonresident agent who is a resident of a state that does not~~

~~require countersignatures.~~

(2) No such countersignature shall be made in blank. The agent may by express written authorization given in advance delegate to his salaried clerical employee the power to so countersign in the name of the agent such contracts or classes of contracts as are designated in such authorization so long as the initials of such employee are written below the agent's name on such countersignature, but the agent shall not thereby delegate or have power to delegate to any other person the power or authority to bind an insurer with respect to any risk not already bound by the agent or other person having clear authority from the insurer so to bind. The agent shall be responsible for all of the acts of such employee within the scope of the authority so delegated. The agent shall keep a record of each and all coverages countersigned by him or by his authority.

(3) This section shall not apply to:

(a) reinsurance;

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12 **contract otherwise valid as between the insurer and the**
13 **insured.***

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