

SENATE BILL NO. 242

INTRODUCED BY OCHSNER, HAMMOND, TVEIT, ROTH, SEVERSON,  
CONOVER, C. SMITH, ZABROCKI

IN THE SENATE

January 22, 1981	Introduced and referred to Committee on Business and Industry.
February 13, 1981	Committee recommend bill do pass as amended. Report adopted.
February 14, 1981	Bill printed and placed on members' desks.
February 16, 1981	Second reading, do pass.
February 17, 1981	Correctly engrossed.
February 18, 1981	Third reading, passed. Ayes, 45; Noes, 4. Transmitted to House.

IN THE HOUSE

February 19, 1981	Introduced and referred to Committee on Business and Industry.
March 26, 1981	Committee recommend bill be concurred in. Report adopted.
March 28, 1981	Second reading, concurred in.
March 30, 1981	On motion rules suspended and bill allowed to be transmitted on the 71st legislative day. Motion adopted.
March 31, 1981	Third reading, concurred in. Ayes, 92; Noes, 6.

**IN THE SENATE**

**April 1, 1981**

**Returned from House. Concurred  
in. Sent to enrolling.**

**Reported correctly enrolled.**

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1 insurance"

-End-

*Andy* BILL NO. *242*

INTRODUCED BY *Ochamir, Trinit, Roth, Severson*  
*Cover, C. Smith, Hammond, Zabruck*

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT A FARM MUTUAL INSURER OWNED OR CONTROLLED BY A NONPROFIT CORPORATION MAY CANCEL OR REFUSE TO RENEW A CASUALTY OR LIABILITY POLICY FOR NONPAYMENT OF DUES IF PAYMENT OF DUES TO THE NONPROFIT CORPORATION IS A CONDITION TO OBTAINING OR CONTINUING THE INSURANCE; AMENDING SECTION 33-4-510, MCA."

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

Section 1. Section 33-4-510, MCA, is amended to read:

"33-4-510. Rates -- filing -- discrimination. (1) A farm mutual insurer is not required to file any of its insurance rates with the commissioner. No such rate shall be unfairly discriminatory as between subjects of insurance covered for like perils under like policies and having substantially the same insuring, exposure, and underwriting characteristics.

~~(2) Notwithstanding any provision of subsection (1) or chapter 18, part 2, of this title, a farm mutual insurer owned or controlled by a nonprofit corporation may cancel or refuse to renew a casualty or liability policy upon nonpayment of dues to the nonprofit corporation if payment of dues is a condition to obtaining or continuing such~~

-2- INTRODUCED BILL  
SB 242

Approved by Committee  
on Business and Industry

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3 SEVERSON, CONOVER, C. SMITH, ZABROCKI

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5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT A FARM  
6 MUTUAL INSURER OR AN INSURER OWNED OR CONTROLLED BY A  
7 NONPROFIT AN ASSOCIATION OR ORGANIZATION CORPORATION MAY  
8 ~~CANCEL~~ OR REFUSE TO RENEW A CASUALTY OR LIABILITY POLICY FOR  
9 NONPAYMENT OF DUES IF PAYMENT OF DUES TO THE ~~NONPROFIT~~  
10 ~~CORPORATION~~ FARM MUTUAL, ASSOCIATION, OR ORGANIZATION IS A  
11 CONDITION TO OBTAINING OR CONTINUING THE INSURANCE; AMENDING  
12 ~~SECTION~~ SECTIONS 33-4-510 AND 33-18-102, MCA."

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

15 Section 1. Section 33-4-510, MCA, is amended to read:

16 "33-4-510. Rates -- filing -- discrimination. (1) A  
17 farm mutual insurer is not required to file any of its  
18 insurance rates with the commissioner. No such rate shall be  
19 unfairly discriminatory as between subjects of insurance  
20 covered for like perils under like policies and having  
21 substantially the same insuring, exposure, and underwriting  
22 characteristics.

23 (2) Notwithstanding any provision of subsection (1) or  
24 chapter 18, part 2, of this title, a farm mutual insurer  
25 owned or controlled by a nonprofit corporation TRANSACTION

1 INSURANCE UNDER THIS CHAPTER may cancel or refuse to renew a  
2 casualty or liability policy upon nonpayment of dues to the  
3 nonprofit corporation FARM MUTUAL INSURER if payment of dues  
4 is a condition to FOR obtaining or continuing such  
5 insurance."

6 SECTION 2. SECTION 33-18-102, MCA, IS AMENDED TO READ:

7 "33-18-102. Unfair methods or deceptive practices  
8 prohibited -- ~~exception.~~ (1) No person shall engage in this  
9 state in any trade practice which is defined in this chapter  
10 as or determined pursuant to this chapter to be an unfair  
11 method of competition or an unfair or deceptive act or  
12 practice in the business of insurance.

13 (2) Nothing in this chapter shall be construed to  
14 prevent an insurer owned or controlled by an association or  
15 organization from refusing to renew a casualty or liability  
16 policy for nonpayment of dues to the association or  
17 organization if payment of dues is a condition for obtaining  
18 or continuing such insurance."

-End-

SECOND READING

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-End-