

SENATE BILL NO. 353

INTRODUCED BY CHRISTIAENS, WALLIN,
R. MANNING, PECK, GALT, SOLBERG

IN THE SENATE

February 4, 1983	Introduced and referred to Committee on Business and Industry.
February 14, 1983	Committee recommend bill do pass. Report adopted.
February 15, 1983	Bill printed and placed on members' desks.
February 16, 1983	Second reading, do pass.
February 18, 1983	Correctly engrossed.
February 19, 1983	Third reading, passed. Ayes, 48; Noes, 0. Transmitted to House.

IN THE HOUSE

February 28, 1983	Introduced and referred to Committee on Business and Industry.
March 11, 1983	Committee recommend bill be concurred in. Report adopted.
March 14, 1983	Second reading, concurred in.
March 15, 1983	Third reading, concurred in.

IN THE SENATE

March 16, 1983	Returned to Senate. Sent to enrolling.
	Reported correctly enrolled.

1 Asia BILL NO. 353
 2 INTRODUCED BY Anthony Woodson Richard E. Manning
 3 Back Holt
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING CAPITAL OR
 5 SURPLUS FUNDS FOR CREDIT LIFE AND DISABILITY INSURERS;
 6 DEFINING "RESIDENT DOMESTIC INSURER" AND "RESIDENT IN
 7 MONTANA" FOR THE PURPOSES OF THE INSURANCE CODE; AMENDING
 8 SECTIONS 33-1-201, 33-1-202, AND 33-2-109, MCA."

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

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

12 "33-1-201. Definitions -- insurance in general. For
 13 the purposes of this code, the following definitions apply
 14 unless the context requires otherwise:

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

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

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

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

1 alien insurer.

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

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

9 (7) A "resident domestic insurer" is an insurer
 10 incorporated under the laws of this state and:

11 (a) if a mutual company, not less than one-half of the
 12 policyholders are natural persons who are residents of this
 13 state; or

14 (b) if a stock insurer, not less than one-half of the
 15 shares are owned by natural persons who are residents of
 16 this state and all of the directors and officers of the
 17 insurer are residents of this state.

18 ~~(7)~~(8) "State", when used as to jurisdiction, means a
 19 state, the District of Columbia, or a territory,
 20 commonwealth, or possession of the United States.

21 ~~(8)~~(9) "Transact", with respect to insurance, includes
 22 any of the following:

23 (a) solicitation and inducement;

24 (b) preliminary negotiations;

25 (c) effectuation of a contract of insurance;

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

3 ~~{9}{10}~~ An "unauthorized insurer" is one not authorized
4 by subsisting certificate of authority issued by the
5 commissioner to transact insurance in this state."

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

7 "33-1-202. Definitions -- entities. For the purposes
8 of this code, the following definitions apply unless the
9 context requires otherwise:

10 (1) "Commissioner" means the commissioner of insurance
11 of the state of Montana.

12 (2) "Department" means the department of insurance of
13 the state of Montana.

14 (3) "Person" includes an individual, insurer, company,
15 association, organization, Lloyd's, society, reciprocal or
16 interinsurance exchange, partnership, syndicate, business
17 trust, corporation, or any other legal entity.

18 (4) "Resident of this state" means a person who has
19 maintained a principal residence within the state of Montana
20 for a period of not less than 2 consecutive years."

21 Section 3. Section 33-2-109, MCA, is amended to read:

22 "33-2-109. Capital or surplus funds required. (1) To
23 qualify for authority to transact any one kind of insurance,
24 as defined in 33-1-205 through 33-1-212, or combinations of
25 kinds of insurance as shown below, an insurer shall possess

1 and thereafter maintain unimpaired paid-in capital stock (if
2 a stock insurer) or surplus (if a mutual or foreign
3 reciprocal insurer) in amount not less than as applicable
4 under the schedule below, and shall possess when first so
5 authorized such additional funds as surplus as required
6 under 33-2-110:

7 Kind or kinds	Minimum capital or
8 of insurance	surplus required
9 Life	\$200,000
10 Disability	200,000
11 Life and disability	300,000
12 Credit life and disability	50,000
13 Property	400,000
14 Marine	400,000
15 Casualty	
16 All lines except workers' compensation	400,000
17 All lines, including workers' compensation	600,000
18 Surety	500,000
19 Title	200,000
20 Multiple lines (two or more: property, marine, 21 casualty, or surety)	800,000

22 (2) As to surplus required for qualification to
23 transact one or more kinds of insurance and thereafter to be
24 maintained, domestic mutual insurers shall be governed by
25 chapter 3, and domestic reciprocal insurers shall be

1 governed by chapter 5.

2 (3) Capital and surplus requirements shall be based
3 upon all the kinds of insurance actually transacted or to be
4 transacted by the insurer in any and all areas in which it
5 operates, whether or not only a portion of such kinds are to
6 be transacted in this state.

7 (4) A life insurer may also grant annuities without
8 additional capital or additional surplus.

9 ~~(5) For a credit life and disability insurer that is~~
10 ~~not a resident domestic insurer as defined in 33-1-201 and~~
11 ~~33-1-202, the capital or surplus required by this section is~~
12 ~~an amount equal to four times the minimum capital or surplus~~
13 ~~required for credit life and disability pursuant to~~
14 ~~subsection (1)."~~

-End-

Approved by Committee
on Business and Industry

1 *Sen. Bill No. 353*
2 INTRODUCED BY *Chairman William R. Manning*
3 *Beck Hall*
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING CAPITAL OR
5 SURPLUS FUNDS FOR CREDIT LIFE AND DISABILITY INSURERS;
6 DEFINING "RESIDENT DOMESTIC INSURER" AND "RESIDENT IN
7 MONTANA" FOR THE PURPOSES OF THE INSURANCE CODE; AMENDING
8 SECTIONS 33-1-201, 33-1-202, AND 33-2-109, MCA."
9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 Section 1. Section 33-1-201, MCA, is amended to read:
12 "33-1-201. Definitions -- insurance in general. For
13 the purposes of this code, the following definitions apply
14 unless the context requires otherwise:
15 (1) An "alien insurer" is one formed under the laws of
16 any country other than the United States, its states,
17 districts, territories, and commonwealths.
18 (2) An "authorized insurer" is one duly authorized by
19 subsisting certificate of authority issued by the
20 commissioner to transact insurance in this state.
21 (3) A "domestic insurer" is one incorporated under the
22 laws of this state.
23 (4) A "foreign insurer" is one formed under the laws
24 of any jurisdiction other than this state. Except where
25 distinguished by context, foreign insurer includes also an

1 alien insurer.
2 (5) "Insurance" is a contract whereby one undertakes
3 to indemnify another or pay or provide a specified or
4 determinable amount or benefit upon determinable
5 contingencies.
6 (6) "Insurer" includes every person engaged as
7 indemnitor, surety, or contractor in the business of
8 entering into contracts of insurance.
9 (7) A "resident domestic insurer" is an insurer
10 incorporated under the laws of this state and:
11 (a) if a mutual company, not less than one-half of the
12 policyholders are natural persons who are residents of this
13 state; or
14 (b) if a stock insurer, not less than one-half of the
15 shares are owned by natural persons who are residents of
16 this state and all of the directors and officers of the
17 insurer are residents of this state.
18 ~~(7)(8)~~ "State", when used as to jurisdiction, means a
19 state, the District of Columbia, or a territory,
20 commonwealth, or possession of the United States.
21 ~~(8)(9)~~ "Transact", with respect to insurance, includes
22 any of the following:
23 (a) solicitation and inducement;
24 (b) preliminary negotiations;
25 (c) effectuation of a contract of insurance;

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

~~(9)(10)~~ An "unauthorized insurer" is one not authorized by subsisting certificate of authority issued by the commissioner to transact insurance in this state."

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

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

(1) "Commissioner" means the commissioner of insurance of the state of Montana.

(2) "Department" means the department of insurance of the state of Montana.

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

~~(4) "Resident of this state" means a person who has maintained a principal residence within the state of Montana for a period of not less than 2 consecutive years."~~

Section 3. Section 33-2-109, MCA, is amended to read:

"33-2-109. Capital or surplus funds required. (1) To qualify for authority to transact any one kind of insurance, as defined in 33-1-205 through 33-1-212, or combinations of kinds of insurance as shown below, an insurer shall possess

and thereafter maintain unimpaired paid-in capital stock (if a stock insurer) or surplus (if a mutual or foreign reciprocal insurer) in amount not less than as applicable under the schedule below, and shall possess when first so authorized such additional funds as surplus as required under 33-2-110:

Kind or kinds of insurance	Minimum capital or surplus required
Life	\$200,000
Disability	200,000
Life and disability	300,000
Credit life and disability	50,000
Property	400,000
Marine	400,000
Casualty	
All lines except workers' compensation	400,000
All lines, including workers' compensation .	600,000
Surety	500,000
Title	200,000
Multiple lines (two or more: property, marine, casualty, or surety)	800,000

(2) As to surplus required for qualification to transact one or more kinds of insurance and thereafter to be maintained, domestic mutual insurers shall be governed by chapter 3, and domestic reciprocal insurers shall be

1 governed by chapter 5.

2 (3) Capital and surplus requirements shall be based
3 upon all the kinds of insurance actually transacted or to be
4 transacted by the insurer in any and all areas in which it
5 operates, whether or not only a portion of such kinds are to
6 be transacted in this state.

7 (4) A life insurer may also grant annuities without
8 additional capital or additional surplus.

9 (5) For a credit life and disability insurer that is
10 not a resident domestic insurer as defined in 33-1-201 and
11 33-1-202, the capital or surplus required by this section is
12 an amount equal to four times the minimum capital or surplus
13 required for credit life and disability pursuant to
14 subsection (1)."

-End-

1 *Sen. Bill No. 353*
 2 INTRODUCED BY *Charles Wallace Richard E. Manning*
 3 *Back Hall Helberg*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING CAPITAL OR
 5 SURPLUS FUNDS FOR CREDIT LIFE AND DISABILITY INSURERS;
 6 DEFINING "RESIDENT DOMESTIC INSURER" AND "RESIDENT IN
 7 MONTANA" FOR THE PURPOSES OF THE INSURANCE CODE; AMENDING
 8 SECTIONS 33-1-201, 33-1-202, AND 33-2-109, MCA."

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

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

12 "33-1-201. Definitions -- Insurance in general. For
 13 the purposes of this code, the following definitions apply
 14 unless the context requires otherwise:

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

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

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

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

1 alien insurer.

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

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

9 (7) A "resident domestic insurer" is an insurer
 10 incorporated under the laws of this state and:

11 (a) if a mutual company, not less than one-half of the
 12 policyholders are natural persons who are residents of this
 13 state; or

14 (b) if a stock insurer, not less than one-half of the
 15 shares are owned by natural persons who are residents of
 16 this state and all of the directors and officers of the
 17 insurer are residents of this state.

18 ~~(7)(8)~~ "State", when used as to jurisdiction, means a
 19 state, the District of Columbia, or a territory,
 20 commonwealth, or possession of the United States.

21 ~~(8)(9)~~ "Transact", with respect to insurance, includes
 22 any of the following:

23 (a) solicitation and inducement;

24 (b) preliminary negotiations;

25 (c) effectuation of a contract of insurance;

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

~~(9)~~ (10) An "unauthorized insurer" is one not authorized by subsisting certificate of authority issued by the commissioner to transact insurance in this state."

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

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

(1) "Commissioner" means the commissioner of insurance of the state of Montana.

(2) "Department" means the department of insurance of the state of Montana.

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

(4) "Resident of this state" means a person who has maintained a principal residence within the state of Montana for a period of not less than 2 consecutive years."

Section 3. Section 33-2-109, MCA, is amended to read:

"33-2-109. Capital or surplus funds required. (1) To qualify for authority to transact any one kind of insurance, as defined in 33-1-205 through 33-1-212, or combinations of kinds of insurance as shown below, an insurer shall possess

and thereafter maintain unimpaired paid-in capital stock (if a stock insurer) or surplus (if a mutual or foreign reciprocal insurer) in amount not less than as applicable under the schedule below, and shall possess when first so authorized such additional funds as surplus as required under 33-2-110:

Kind or kinds of insurance	Minimum capital or surplus required
Life	\$200,000
Disability	200,000
Life and disability	300,000
Credit life and disability	50,000
Property	400,000
Marine	400,000
Casualty	
All lines except workers' compensation	400,000
All lines, including workers' compensation ..	600,000
Surety	500,000
Title	200,000
Multiple lines (two or more: property, marine, casualty, or surety)	800,000

(2) As to surplus required for qualification to transact one or more kinds of insurance and thereafter to be maintained, domestic mutual insurers shall be governed by chapter 3, and domestic reciprocal insurers shall be

1 governed by chapter 5.

2 (3) Capital and surplus requirements shall be based
3 upon all the kinds of insurance actually transacted or to be
4 transacted by the insurer in any and all areas in which it
5 operates, whether or not only a portion of such kinds are to
6 be transacted in this state.

7 (4) A life insurer may also grant annuities without
8 additional capital or additional surplus.

9 (5) For a credit life and disability insurer that is
10 not a resident domestic insurer as defined in 33-1-201 and
11 33-1-202, the capital or surplus required by this section is
12 an amount equal to four times the minimum capital or surplus
13 required for credit life and disability pursuant to
14 subsection (1)."

-End-

SENATE BILL NO. 353

INTRODUCED BY CHRISTIAENS, WALLIN,

R. MANNING, PECK, GALT, SOLBERG

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING CAPITAL OR SURPLUS FUNDS FOR CREDIT LIFE AND DISABILITY INSURERS; DEFINING "RESIDENT DOMESTIC INSURER" AND "RESIDENT IN MONTANA" FOR THE PURPOSES OF THE INSURANCE CODE; AMENDING SECTIONS 33-1-201, 33-1-202, AND 33-2-109, MCA."

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"33-1-201. Definitions -- insurance in general. For the purposes of this code, the following definitions apply unless the context requires otherwise:

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

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

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distinguished by context, foreign insurer includes also an alien insurer.

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

~~(7) A "resident domestic insurer" is an insurer incorporated under the laws of this state and:~~

~~(a) if a mutual company, not less than one-half of the policyholders are natural persons who are residents of this state; or~~

~~(b) if a stock insurer, not less than one-half of the shares are owned by natural persons who are residents of this state and all of the directors and officers of the insurer are residents of this state.~~

~~(7)(1)~~ "State", when used as to jurisdiction, means a state, the District of Columbia, or a territory, commonwealth, or possession of the United States.

~~(7)(2)~~ "Transact", with respect to insurance, includes any of the following:

(a) solicitation and inducement;

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

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

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(2) "Department" means the department of insurance of the state of Montana.

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

~~(4) "Resident of this state" means a person who has maintained a principal residence within the state of Montana for a period of not less than 2 consecutive years."~~

Section 3. Section 33-2-109, MCA, is amended to read:

"33-2-109. Capital or surplus funds required. (1) To qualify for authority to transact any one kind of insurance, as defined in 33-1-205 through 33-1-212, or combinations of

kinds of insurance as shown below, an insurer shall possess and thereafter maintain unimpaired paid-in capital stock (if a stock insurer) or surplus (if a mutual or foreign reciprocal insurer) in amount not less than as applicable under the schedule below, and shall possess when first so authorized such additional funds as surplus as required under 33-2-110:

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Multiple lines (two or more: property, marine, casualty, or surety)	800,000

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1 chapter 3, and domestic reciprocal insurers shall be
2 governed by chapter 5.

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4 upon all the kinds of insurance actually transacted or to be
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7 be transacted in this state.

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9 additional capital or additional surplus.

10 ~~(5) For a credit life and disability insurer that is~~
11 ~~not a resident domestic insurer as defined in 33-1-201 and~~
12 ~~33-1-202, the capital or surplus required by this section is~~
13 ~~an amount equal to four times the minimum capital or surplus~~
14 ~~required for credit life and disability pursuant to~~
15 ~~subsection (1).~~

-End-