

SENATE BILL NO. 233

INTRODUCED BY REGAN, FULLER, STIMATZ, MCCALLUM, CHRISTIAENS

IN THE SENATE

January 23, 1985	Introduced and referred to Committee on Business and Industry.
February 7, 1985	Committee recommend bill do pass as amended. Report adopted.
February 8, 1985	Bill printed and placed on members' desks.
February 11, 1985	Second reading, do pass.
February 12, 1985	Considered correctly engrossed.
February 13, 1985	Third reading, passed. Ayes, 50; Noes, 0.
	Transmitted to House.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on Business and Labor.
March 20, 1985	Committee recommend bill be concurred in as amended. Report adopted.
March 23, 1985	Second reading, concurred in.
March 25, 1985	Third reading, concurred in.
	Returned to Senate with amendments.

IN THE SENATE

March 25, 1985	Received from House.
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April 2, 1985

Second reading, amendments
concurrent in.

April 4, 1985

Third reading, amendments
concurrent in. Ayes, 50; Noes, 0.

Sent to enrolling.

Reported correctly enrolled.

1
 2 INTRODUCTION BY *Senate* BILL NO. *233*
 3 *Ray Fuller, Stoney, Montana*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A 30-DAY
 5 LIFE INSURANCE SETTLEMENT PERIOD AFTER WHICH INTEREST
 6 ACCRUES UNTIL SETTLEMENT; AMENDING SECTIONS 33-20-114,
 7 33-20-115, AND 33-20-1207, MCA."

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

10 Section 1. Section 33-20-114, MCA, is amended to read:

11 "33-20-114. Payment of claims -- interest. (1) There
 12 shall be a provision that when ~~a policy shall become~~ a claim
 13 by is made upon the death of the insured, settlement shall
 14 be made upon receipt of due proof of death and, at the
 15 insurer's option, surrender of the policy and/or proof of
 16 the interest of the claimant. ~~If an insurer shall specify a~~
 17 ~~particular period prior to the expiration of which~~
 18 ~~settlement shall be made, such period shall not exceed 2~~
 19 ~~months from the receipt of such proofs.~~

20 (2) There shall be a provision that settlement be made
 21 within 30 days of proof of death and that if settlement is
 22 made after 30 days, the settlement shall include interest
 23 from the 30th day until settlement. Interest shall be paid
 24 at the discount rate on 90-day commercial paper in effect
 25 at the federal reserve bank in the ninth federal reserve

1 district at the time of proof of death. The settlement
 2 period and interest provisions of this subsection apply to
 3 all claims upon deaths filed with an insurer after October
 4 1, 1985, regardless of whether those provisions are included
 5 in the policy."

6 Section 2. Section 33-20-115, MCA, is amended to read:

7 "33-20-115. Beneficiary -- industrial policies. (1) An
 8 industrial life insurance policy shall have the name of the
 9 beneficiary designated thereon with a reservation of the
 10 right to designate or change the beneficiary after the
 11 issuance of the policy.

12 (2) The policy may also provide that no designation or
 13 change of beneficiary shall be binding on the insurer until
 14 endorsed on the policy by the insurer and that the insurer
 15 may refuse to endorse the name of any proposed beneficiary
 16 who does not appear to the insurer to have an insurable
 17 interest in the life of the insured.

18 (3) The policy may also provide that if the
 19 beneficiary designated in the policy does not make a claim
 20 under the policy or does not surrender the policy with due
 21 proof of death within the period stated in the policy, which
 22 shall not be less than 30 days after the death of the
 23 insured, or if the beneficiary is the estate of the insured
 24 or is a minor or dies before the insured or is not legally
 25 competent to give a valid release, then the insurer may make

1 any payment thereunder to the personal representative of the
 2 insured or to any relative of the insured by blood or legal
 3 adoption or connection by marriage or to any person
 4 appearing to the insurer to be equitably entitled thereto by
 5 reason of having been named beneficiary or by reason of
 6 having incurred expense for the maintenance, medical
 7 attention, or burial of the insured.

8 (4) The policy may also include a similar provision
 9 applicable to any other payment due under the policy.

10 (5) The provisions of 33-20-114(2) shall be
 11 incorporated into an industrial life insurance policy and
 12 are applicable as set out in that subsection."

13 Section 3. Section 33-20-1207, MCA, is amended to
 14 read:

15 "33-20-1207. Payment of benefits. (1) The group life
 16 insurance policy shall contain a provision that any sum
 17 becoming due by reason of the death of the person insured
 18 shall be payable to the beneficiary designated by the person
 19 insured subject to the provisions of the policy in the
 20 event there is no designated beneficiary as to all or any
 21 part of such sum living at the death of the person insured
 22 and subject to any right reserved by the insurer in the
 23 policy and set forth in the certificate to pay at its option
 24 a part of such sum not exceeding \$500 to any person
 25 appearing to the insurer to be equitably entitled thereto by

1 reason of having incurred funeral or other expenses incident
 2 to the last illness or death of the person insured.

3 (2) The provisions of 33-20-114(2) shall be
 4 incorporated into the group life insurance policy and are
 5 applicable as set out in that subsection."

-End-

APPROVED BY COMM. ON BUSINESS & INDUSTRY

SENATE BILL NO. 233

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(2) There shall be a provision that settlement be made within 30 60 days OF RECEIPT of proof of death and that if settlement is made after THE FIRST 30 days, the settlement shall include interest from the 30th day until settlement. Interest shall be paid at the discount rate on 90-day

commercial paper in effect at the federal reserve bank in the ninth federal reserve district at the time of proof of death. The settlement period and interest provisions of this subsection apply to all claims upon deaths filed with an insurer after October 1, 1985, regardless of whether those provisions are included in the policy."

Section 2. Section 33-20-115, MCA, is amended to read:

"33-20-115. Beneficiary -- industrial policies. (1) An industrial life insurance policy shall have the name of the beneficiary designated thereon with a reservation of the right to designate or change the beneficiary after the issuance of the policy.

(2) The policy may also provide that no designation or change of beneficiary shall be binding on the insurer until endorsed on the policy by the insurer and that the insurer may refuse to endorse the name of any proposed beneficiary who does not appear to the insurer to have an insurable interest in the life of the insured.

(3) The policy may also provide that if the beneficiary designated in the policy does not make a claim under the policy or does not surrender the policy with due proof of death within the period stated in the policy, which shall not be less than 30 days after the death of the insured, or if the beneficiary is the estate of the insured or is a minor or dies before the insured or is not legally

SECOND READING

SB 233



1 competent to give a valid release, then the insurer may make
 2 any payment thereunder to the personal representative of the
 3 insured or to any relative of the insured by blood or legal
 4 adoption or connection by marriage or to any person
 5 appearing to the insurer to be equitably entitled thereto by
 6 reason of having been named beneficiary or by reason of
 7 having incurred expense for the maintenance, medical
 8 attention, or burial of the insured.

9 (4) The policy may also include a similar provision
 10 applicable to any other payment due under the policy.

11 (5) The provisions of 33-20-114(2) shall be
 12 incorporated into an industrial life insurance policy and
 13 are applicable as set out in that subsection."

14 Section 3. Section 33-20-1207, MCA, is amended to
 15 read:

16 "33-20-1207. Payment of benefits. (1) The group life
 17 insurance policy shall contain a provision that any sum
 18 becoming due by reason of the death of the person insured
 19 shall be payable to the beneficiary designated by the person
 20 insured, subject to the provisions of the policy in the
 21 event there is no designated beneficiary as to all or any
 22 part of such sum living at the death of the person insured
 23 and subject to any right reserved by the insurer in the
 24 policy and set forth in the certificate to pay at its option
 25 a part of such sum not exceeding \$500 to any person

1 appearing to the insurer to be equitably entitled thereto by
 2 reason of having incurred funeral or other expenses incident
 3 to the last illness or death of the person insured.

4 (2) The provisions of 33-20-114(2) shall be
 5 incorporated into the group life insurance policy and are
 6 applicable as set out in that subsection."

-End-

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THIRD READING

1 competent to give a valid release, then the insurer may make
 2 any payment thereunder to the personal representative of the
 3 insured or to any relative of the insured by blood or legal
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 5 incorporated into the group life insurance policy and are
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-End-

STANDING COMMITTEE REPORT

HOUSE

March 20 19 85

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration SENATE Bill No. 233

third reading copy (blue)
color

PROVIDE 30-DAY LIFE INSURANCE SETTLEMENT PERIOD OR INTEREST
WILL ACCRUE

Respectfully report as follows: That SENATE Bill No. 233

BE AMENDED AS FOLLOWS:

1. Page 1, line 13
Following: "provision"
Insert: ", which may be made by endorsement,"
2. Page 1, line 21
Following: "provision"
Insert: ", which may be made by endorsement,"

AS
54
3/20
~~DEPART~~
BE CONCURRED IN
AS AMENDED

Rep. Bob Pavlovich
Rep. Bob Pavlovich, Chairman.

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