

HOUSE BILL NO. 440

INTRODUCED BY GRADY, MILES, PINSONEAULT

BY REQUEST OF THE STATE AUDITOR

IN THE HOUSE

JANUARY 24, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & LABOR.

FEBRUARY 4, 1987 COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

FEBRUARY 5, 1987 PRINTING REPORT.

FEBRUARY 6, 1987 SECOND READING, DO PASS.

FEBRUARY 7, 1987 ENGROSSING REPORT.

 THIRD READING, PASSED.

 TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 10, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & INDUSTRY.

MARCH 4, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

MARCH 6, 1987 SECOND READING, CONCURRED IN.

MARCH 9, 1987 THIRD READING, CONCURRED IN.
AYES, 50; NOES, 0.

 RETURNED TO HOUSE.

IN THE HOUSE

MARCH 10, 1987 RECEIVED FROM SENATE.

 SENT TO ENROLLING.

1 House BILL NO. 440
 2 INTRODUCED BY Randy Miles
 3 BY REQUEST OF THE STATE AUDITOR

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE
 6 COMMISSIONER OF INSURANCE TO DISAPPROVE A CASUALTY INSURANCE
 7 FORM IF THE FORM CONTAINS A PROVISION PERMITTING DEFENSE
 8 COSTS WITHIN LIMITS; AUTHORIZING THE COMMISSIONER OF
 9 INSURANCE, IN HIS DISCRETION, TO PERMIT DEFENSE COSTS WITHIN
 10 LIMITS; AND AMENDING SECTION 33-1-502, MCA."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 33-1-502, MCA, is amended to read:

14 "33-1-502. Grounds for disapproval. The commissioner
 15 shall disapprove any form filed under 33-1-501 or withdraw
 16 any previous approval thereof only if the form:

17 (1) is in any respect in violation of or does not
 18 comply with this code;

19 (2) contains or incorporates by reference, where such
 20 incorporation is otherwise permissible, any inconsistent,
 21 ambiguous, or misleading clauses or exceptions and
 22 conditions which deceptively affect the risk purported to be
 23 assumed in the general coverage of the contract, including
 24 a provision in a casualty insurance form permitting defense
 25 costs within limits, except as permitted by the commissioner

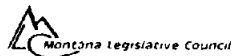
1 in his discretion;

2 (3) has any title, heading, or other indication of its
 3 provisions which is misleading;

4 (4) is printed or otherwise reproduced in such manner
 5 as to render any provision of the form substantially
 6 illegible."

7 NEW SECTION. Section 2. Extension of authority. Any
 8 existing authority of the commissioner of insurance to make
 9 rules on the subject of the provisions of this act is
 10 extended to the provisions of this act.

-End-



APPROVED BY COMM. ON
BUSINESS AND LABOR

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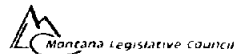
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-2-
 THIRD READING
 HB-440

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