

HB 694 INTRODUCED BY THOMAS, ET AL.  
REQUIRE LIABILITY INSURERS TO REPORT CERTAIN  
INFORMATION

2/10	INTRODUCED		
2/10	REFERRED TO BUSINESS & LABOR		
2/10	FISCAL NOTE REQUESTED		
2/13	HEARING		
2/16	FISCAL NOTE RECEIVED		
2/23	TAKEN FROM COMMITTEE		54 43
2/24	2ND READING PASSED AS AMENDED		76 21
2/24	3RD READING PASSED		78 22
2/24	REREFERRED TO APPROPRIATIONS		
3/03	HEARING		
3/06	HEARING		
3/07	HEARING		
3/07	TABLED IN COMMITTEE		
3/09	REVISED FISCAL NOTE REQUESTED		
3/13	REVISED FISCAL NOTE RECEIVED		



1 (h) net operating gain or loss, including net  
2 investment income;

3 (i) federal income taxes; and

4 (j) net income.

5 (5) Each insurer or group of insurers may designate a  
6 statistical agent for purposes of reporting any portion or  
7 all of the above requirements.

8 Section 4. Sanctions for failure to comply with  
9 reporting requirements. The commissioner may levy a fine of  
10 not more than \$5,000 against any property or casualty  
11 insurer failing to comply with the reporting requirements  
12 contained in [section 3].

13 Section 5. Reports -- submission date. Reports  
14 required by [section 3] are due by July 1 of each year for  
15 the previous calendar year.

16 Section 6. Publication of data summaries. The  
17 commissioner shall annually compile and summarize all  
18 reports submitted pursuant to [section 3]. The  
19 commissioner's compilation must be published and made  
20 available to any interested resident of this state.

21 Section 7. Extension of authority. Any existing  
22 authority of the commissioner of insurance to make rules on  
23 the subject of the provisions of this act is extended to the  
24 provisions of this act.

25 Section 8. Codification instruction. Sections 1

1 through 6 are intended to be codified as an integral part of  
2 Title 33, and the provisions of Title 33 apply to sections 1  
3 through 6.

4 Section 9. Termination date. This act terminates July  
5 2, 1992.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB694, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring liability insurers and attorneys to report certain information relating to civil liability claims and cases; and providing a termination date.

ASSUMPTIONS:

1. Information would be reviewed, put in summary form, but no detailed analysis.
2. Information would be kept for five years, some on computer.
3. Information would not be used for rate review.
4. No revenue is anticipated from fines.
5. Additional staff - 2.5 FTE - plus operational expenses would be needed to comply with proposed legislation.

FISCAL IMPACT:

	<u>FY88</u>			<u>FY89</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Insurance Regulatory Account</u>						
FTE	21.0	23.5	2.5	21.0	23.5	2.5
<u>Expenditures:</u>						
Personal Services	\$505,696	\$550,931	\$ 45,235	\$505,112	\$550,181	\$ 45,069
Operating Expenses	192,651	199,006	6,355	185,791	192,946	7,155
Equipment	4,056	18,856	14,800	288	288	0
TOTAL	\$702,403	\$768,793	\$ 66,390	\$691,191	\$743,415	\$ 52,224

No additional revenue.

The increased expenditures would be paid from the Premium Tax Fund. Increased costs to the Premium Tax Fund reduces the general fund by a like amount.

*Fiscal note is very high!  
But, then again - who cares?  
Billway Tabled.*

*David L. Hunter* DATE 2/16/87  
 DAVID L. HUNTER, BUDGET DIRECTOR  
 Office of Budget and Program Planning

*Fred Thomas* DATE 2-17-87  
 FRED THOMAS, PRIMARY SPONSOR  
 Fiscal Note for HB694, as introduced.

*HB 694*

ON MOTION, PRINTED AND  
PLACED ON SECOND READING

1 House BILL NO. 694  
2 INTRODUCED BY Thomas Gilbert C. Smith  
3 Speth Miles

4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LIABILITY  
5 INSURERS TO REPORT CERTAIN INFORMATION RELATING TO LIABILITY  
6 INSURANCE; AND PROVIDING A TERMINATION DATE."  
7

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

9 Section 1. Purpose. The purpose of [sections 1 through  
10 6] is to provide for the collection of data to monitor and  
11 measure the cost of liability actions filed in this state.

12 Section 2. Definition. As used in [sections 1 through  
13 6], "liability action" means any civil proceeding in this  
14 state, whether tort or contract, that seeks redress for  
15 personal injury or property damage.

16 Section 3. Insurer reporting requirements. (1) Each  
17 insurer or group of insurers writing property or casualty  
18 insurance in this state shall submit an annual report in a  
19 form required by the commissioner, detailing its liability  
20 insurance business and loss experience in this state.

21 (2) The report required by this section must include  
22 but need not be limited to the following lines of insurance  
23 written by each insurer:

24 (a) commercial liability, including premises insurance  
25 and products and completed operations insurance;

1 (b) commercial automobile liability;  
2 (c) professional liability; and  
3 (d) any other liability line that is currently  
4 reported in the annual statement.

5 (3) The report required by this section must include  
6 but need not be limited to the following classes:

7 (a) municipal liability;  
8 (b) liquor liability;  
9 (c) any other class designated by the commissioner,  
10 upon due notice and after a hearing.

11 (4) Reports filed pursuant to subsection (2) must  
12 include the following data, specific to this state, by the  
13 type of insurance for the previous calendar year:

14 (a) premiums written;  
15 (b) premiums earned;  
16 (c) incurred claims;  
17 (d) incurred expenses allocated separately to loss

18 adjustment expenses, commissions, other acquisition costs,  
19 general expenses, taxes, licenses, and fees, using  
20 appropriate estimates when necessary;

21 (e) policyholder dividends;  
22 (f) net underwriting gain or loss;

23 (g) net investment income, including net realized  
24 capital gains and losses, using appropriate estimates where  
25 necessary;



1 (h) net operating gain or loss, including net  
2 investment income;

3 (i) federal income taxes; and

4 (j) net income.

5 (5) Each insurer or group of insurers may designate a  
6 statistical agent for purposes of reporting any portion or  
7 all of the above requirements.

8 Section 4. Sanctions for failure to comply with  
9 reporting requirements. The commissioner may levy a fine of  
10 not more than \$5,000 against any property or casualty  
11 insurer failing to comply with the reporting requirements  
12 contained in [section 3].

13 Section 5. Reports -- submission date. Reports  
14 required by [section 3] are due by July 1 of each year for  
15 the previous calendar year.

16 Section 6. Publication of data summaries. The  
17 commissioner shall annually compile and summarize all  
18 reports submitted pursuant to [section 3]. The  
19 commissioner's compilation must be published and made  
20 available to any interested resident of this state.

21 Section 7. Extension of authority. Any existing  
22 authority of the commissioner of insurance to make rules on  
23 the subject of the provisions of this act is extended to the  
24 provisions of this act.

25 Section 8. Codification instruction. Sections 1

1 through 6 are intended to be codified as an integral part of  
2 Title 33, and the provisions of Title 33 apply to sections 1  
3 through 6.

4 Section 9. Termination date. This act terminates July  
5 2, 1992.

-End-

## 1 HOUSE BILL NO. 694

2 INTRODUCED BY THOMAS, GILBERT, C. SMITH,  
3 JONES, SPAETH, MILES, IVERSON

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LIABILITY  
6 INSURERS TO REPORT CERTAIN INFORMATION RELATING TO LIABILITY  
7 INSURANCE; AND PROVIDING A TERMINATION DATE."

8  
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11 6 5] is to provide for the collection of data to monitor and  
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13 Section 2. Definition. As used in [sections 1 through  
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18 (d) incurred expenses allocated separately to loss  
19 adjustment expenses, commissions, other acquisition costs,  
20 general expenses, taxes, licenses, and fees, using  
21 appropriate estimates when necessary;

22 (e) policyholder dividends;

23 (f) net underwriting gain or loss;

24 (g) net investment income, including net realized  
25 capital gains and losses, using appropriate estimates where

1 necessary;  
 2 (h) net operating gain or loss, including net  
 3 investment income;  
 4 (i) federal income taxes; and  
 5 (j) net income.  
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 7 statistical agent for purposes of reporting any portion or  
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 12 insurer failing to comply with the reporting requirements  
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 16 the previous calendar year.

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 18 ~~commissioner shall annually compile and summarize all~~  
 19 ~~reports submitted pursuant to [section 3]. The~~  
 20 ~~commissioner's compilation must be published and made~~  
 21 ~~available to any interested resident of this state.~~

22 Section 6. Extension of authority. Any existing  
 23 authority of the commissioner of insurance to make rules on  
 24 the subject of the provisions of this act is extended to the  
 25 provisions of this act.

1 Section 7. Codification instruction. Sections 1  
 2 through 6 5 are intended to be codified as an integral part  
 3 of Title 33, and the provisions of Title 33 apply to  
 4 sections 1 through 6 5.  
 5 Section 8. Termination date. This act terminates July  
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ASSUMPTIONS:

1. No detailed analysis of information provided would be completed.
2. Information would be kept for five years, some on computer.
3. Information would not be used for rate review.
4. No revenue is anticipated from fines.
5. Additional staff - 1.5 FTE - plus operational expenses would be needed to comply with proposed legislation.

FISCAL IMPACT:

	<u>FY88</u>			<u>FY89</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Insurance Regulatory Account</u>						
FTE	21.0	22.5	1.5	21.0	22.5	1.5
Expenditures:						
Personal Services	\$505,696	\$528,561	\$ 22,865	\$505,112	\$527,902	\$ 22,790
Operating Expenses	192,651	194,076	1,425	185,791	187,216	1,425
Equipment	4,056	7,706	3,650	288	288	0
TOTAL	<u>\$702,403</u>	<u>\$730,343</u>	<u>\$ 27,940</u>	<u>\$691,191</u>	<u>\$715,406</u>	<u>\$ 24,215</u>

No additional revenue.

The increased expenditures would be paid from the Premium Tax Fund. Increased costs to the Premium Tax Fund reduces the general fund by a like amount.

David L. Hunter DATE 3/13/87  
 DAVID L. HUNTER, BUDGET DIRECTOR  
 Office of Budget and Program Planning

DATE \_\_\_\_\_  
 FRED THOMAS, PRIMARY SPONSOR

Fiscal Note for HB694, third reading copy.

**HB 694  
#2**