

SENATE BILL NO. 295

INTRODUCED BY MEYER, DEVLIN, BULGER, PISTORIA, KOLSTAD,
NISBET, ASAY, ELLISON, MCCALLUM, BARDANOUE, PECK, HANSON,
E. SMITH, POULSEN, PHILLIPS, SWITZER, MCCORMICK, POFF,
KOEHNKE, PATTERSON, GIACOMETTO, SWIFT, SCHYE, MANUEL,
COMPTON, STORY, HIRSCH, LYBECK, MANNING, JERGESON, GALT,
BECK, O'CONNELL, MCLANE, B. BROWN, WALKER, THAYER,
NEUMAN, ABRAMS, ANDERSON, HAGER, FARRELL, BISHOP,
HOFMAN, PAVLOVICH, SEVERSON

IN THE SENATE

FEBRUARY 5, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & INDUSTRY.

FEBRUARY 18, 1987 COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

FEBRUARY 19, 1987 PRINTING REPORT.

FEBRUARY 20, 1987 SECOND READING, DO PASS.

FEBRUARY 21, 1987 ENGROSSING REPORT.

FEBRUARY 23, 1987 THIRD READING, PASSED.
AYES, 47; NOES, 2.

TRANSMITTED TO HOUSE.

IN THE HOUSE

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

MARCH 19, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

MARCH 28, 1987 SECOND READING, CONCURRED IN AS
AMENDED.

MARCH 30, 1987 THIRD READING, CONCURRED IN.
AYES, 84; NOES, 14.

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 3, 1987

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 4, 1987

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

1 Senate BILL NO. 295
 2 INTRODUCED BY Meyer, Durbin, Bulger, Risterna, Kell
 3 ~~RECEIVED OF THE STATE AUDITOR~~ *Frank*
 4 *McLinn*
 5 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING FROM
 6 EXAMINATION APPLICANTS FOR AN AGENT'S LICENSE TO SELL
 7 ALL-RISK FEDERAL CROP INSURANCE, AND AMENDING SECTION
 8 33-17-212, MCA."
 9 *Richard E. Manning*
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 33-17-212, MCA, is amended to read:
 12 "33-17-212. Examination required. (1) After completion
 13 and filing of the application for license as required under
 14 33-17-211, the commissioner shall subject each applicant for
 15 license as agent or solicitor, unless exempted therefrom
 16 under subsection (5) below, to a personal written
 17 examination as to his competence to act as such agent or
 18 solicitor.
 19 (2) If the applicant is a firm or corporation, the
 20 examination shall be so taken by each individual who is to
 21 be named in the license as having authority to act for the
 22 applicant in its insurance transactions under the license.
 23 (3) Examination of an applicant for an agent's license
 24 shall cover all of the kinds of insurance for which the
 25 applicant has applied to be licensed, as constituted by any

1 one or more of the following classifications:
 2 (a) life insurance;
 3 (b) disability insurance;
 4 (c) property insurance; for the purposes of this
 5 provision, "marine" insurance shall be deemed to be included
 6 in "property" insurance;
 7 (d) casualty insurance;
 8 (e) vehicle insurance;
 9 (f) surety insurance;
 10 (g) credit life and disability insurance;
 11 (h) title insurance.
 12 (4) Examination of an applicant for a solicitor's
 13 license shall cover all the kinds of insurance, other than
 14 life, as to which the appointing agent is licensed.
 15 (5) This section shall not apply to, and no such
 16 examination shall be required of:
 17 (a) any individual lawfully licensed as an agent or
 18 solicitor as to the kind or kinds of insurance to be
 19 transacted as of or immediately prior to January 1, 1961,
 20 and thereafter continuing to be so licensed;
 21 (b) any applicant for license covering the same kind
 22 or kinds of insurance as to which the applicant was licensed
 23 in this state, other than under a temporary license, within
 24 the 12 months next preceding date of application unless such
 25 previous license was suspended, revoked, or continuation

1 thereof refused by the commissioner, except that the
2 provisions of this subsection (5)(b) do not apply to title
3 agents, as defined in 33-25-105;

4 (c) any applicant for license as nonresident agent,
5 subject to reciprocal arrangements as provided for in this
6 code;

7 (d) all applicants for license as agent for an insurer
8 that confines its business in this state substantially to
9 the insuring of the property, interests, and risks of
10 farmers, if exempted from examination by the commissioner,
11 in his discretion, upon written request of the insurer;

12 (e) any applicant for an agent's license to sell
13 all-risk federal crop insurance if the applicant provides
14 certification from an appropriate governmental agency to the
15 commissioner that he is qualified to sell such insurance;

16 ~~(f)~~(f) transportation ticket agents of common carriers
17 applying for license to solicit and sell only:

18 (i) accident insurance ticket policies; or

19 (ii) insurance of personal effects while being carried
20 as baggage on such common carrier, as incidental to their
21 duties as such transportation ticket agents;

22 ~~(g)~~(g) agents' associations applying for license under
23 33-17-205;

24 ~~(h)~~(h) mechanical breakdown insurance agents."

25 NEW SECTION. Section 2. Extension of authority. Any

1 existing authority of the commissioner of insurance to make
2 rules on the subject of the provisions of this act is
3 extended to the provisions of this act.

-End-

APPROVED BY COMM. ON
BUSINESS & INDUSTRY

SENATE BILL NO. 295

INTRODUCED BY MEYER, DEVLIN, BULGER, PISTORIA, KOLSTAD,
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A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING FROM
EXAMINATION APPLICANTS FOR AN AGENT'S LICENSE TO SELL
ALL-RISK FEDERAL CROP INSURANCE; AND ALLOWING ISSUANCE OF A
RESTRICTED LICENSE TO AN AGENT WHO SELLS ONLY ALL-RISK
FEDERAL CROP INSURANCE; AMENDING SECTION SECTIONS 33-17-201
AND 33-17-212, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
DATE."

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

Section 1. Section 33-17-212, MCA, is amended to read:

"33-17-212. Examination required. (1) After completion
and filing of the application for license as required under
33-17-211, the commissioner shall subject each applicant for
license as agent or solicitor, unless exempted therefrom
under subsection (5) below, to a personal written

examination as to his competence to act as such agent or
solicitor.

(2) If the applicant is a firm or corporation, the
examination shall be so taken by each individual who is to
be named in the license as having authority to act for the
applicant in its insurance transactions under the license.

(3) Examination of an applicant for an agent's license
shall cover all of the kinds of insurance for which the
applicant has applied to be licensed, as constituted by any
one or more of the following classifications:

- (a) life insurance;
- (b) disability insurance;
- (c) property insurance; for the purposes of this
provision, "marine" insurance shall be deemed to be included
in "property" insurance;
- (d) casualty insurance;
- (e) vehicle insurance;
- (f) surety insurance;
- (g) credit life and disability insurance;
- (h) title insurance.

(4) Examination of an applicant for a solicitor's
license shall cover all the kinds of insurance, other than
life, as to which the appointing agent is licensed.

(5) This section shall not apply to, and no such
examination shall be required of:



1 (a) any individual lawfully licensed as an agent or
2 solicitor as to the kind or kinds of insurance to be
3 transacted as of or immediately prior to January 1, 1961,
4 and thereafter continuing to be so licensed;

5 (b) any applicant for license covering the same kind
6 or kinds of insurance as to which the applicant was licensed
7 in this state, other than under a temporary license, within
8 the 12 months next preceding date of application unless such
9 previous license was suspended, revoked, or continuation
10 thereof refused by the commissioner, except that the
11 provisions of this subsection (5)(b) do not apply to title
12 agents, as defined in 33-25-105;

13 (c) any applicant for license as nonresident agent,
14 subject to reciprocal arrangements as provided for in this
15 code;

16 (d) all applicants for license as agent for an insurer
17 that confines its business in this state substantially to
18 the insuring of the property, interests, and risks of
19 farmers, if exempted from examination by the commissioner,
20 in his discretion, upon written request of the insurer;

21 (e) any applicant for an agent's license to sell
22 all-risk federal crop insurance if the applicant provides
23 certification from an appropriate governmental agency to the
24 commissioner that he is qualified to sell such insurance;

25 ~~te~~(f) transportation ticket agents of common carriers

1 applying for license to solicit and sell only:

2 (i) accident insurance ticket policies; or

3 (ii) insurance of personal effects while being carried
4 as baggage on such common carrier, as incidental to their
5 duties as such transportation ticket agents;

6 ~~tf~~(g) agents' associations applying for license under
7 33-17-205;

8 ~~tg~~(h) mechanical breakdown insurance agents."

9 SECTION 2. SECTION 33-17-201, MCA, IS AMENDED TO READ:

10 "33-17-201. (Temporary) License required of agents,
11 managing general agents, and solicitors -- forms. (1) No
12 person shall in this state act as or hold himself out to be
13 an agent or solicitor as to subjects of insurance located,
14 resident, or to be performed in this state unless then
15 licensed as such agent or solicitor under this chapter.

16 (2) No person may act or hold himself out in this
17 state to be a managing general agent unless licensed as an
18 insurance agent under this chapter and appointed by the
19 insurers represented.

20 (3) No agent or solicitor shall solicit or take
21 application for, procure, or place for others any kind of
22 insurance as to which he is not then licensed.

23 (4) No agent shall place any business, other than
24 coverage of his own risks, with any insurer as to which he
25 does not then hold an appointment or license as agent under

1 this chapter, except as provided in 33-17-1104 as to life or
2 disability insurance agents and in 33-8-213.

3 (5) The commissioner shall prescribe and furnish forms
4 required in connection with application for, issuance,
5 continuation, or termination of licenses and appointments.

6 (6) Unless licensed as a life insurance agent as
7 required by this section, no person shall in this state
8 solicit life insurance or annuities or procure applications
9 therefor or engage or hold himself out as engaging in the
10 business of analyzing or abstracting life insurance policies
11 or annuities or of counseling or advising or giving
12 opinions, other than as a licensed attorney at law, relative
13 to such insurance or annuities for fee, commission, or other
14 compensation, other than as a salaried bona fide full-time
15 employee so counseling and advising his employer relative to
16 the insurance interests of the employer and of the
17 subsidiaries or business affiliates of the employer or with
18 respect to the insurance interests of employees of such
19 employer, subsidiaries, or affiliates under group insurance
20 or similar insurance plans arranged by the employer or
21 employers of such employees.

22 (7) A person licensed to sell coverage only for the
23 all-risk federal crop insurance program shall receive a
24 license restricted to that purpose. (Terminates July 1,
25 1989--sec. 22, Ch. 11, Sp. L. March 1986.)

1 33-17-201. (Effective July 1, 1989) License required
2 of agents, managing general agents, and solicitors -- forms.

3 (1) No person shall in this state act as or hold himself out
4 to be an agent or solicitor as to subjects of insurance
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6 then licensed as such agent or solicitor under this chapter.

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8 state to be a managing general agent unless licensed as an
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10 insurers represented.

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13 insurance as to which he is not then licensed.

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15 coverage of his own risks, with any insurer as to which he
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17 this chapter, except as provided in 33-17-1104 as to life or
18 disability insurance agents.

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20 required in connection with application for, issuance,
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23 required by this section, no person shall in this state
24 solicit life insurance or annuities or procure applications
25 therefor or engage or hold himself out as engaging in the

1 business of analyzing or abstracting life insurance policies
2 or annuities or of counseling or advising or giving
3 opinions, other than as a licensed attorney at law, relative
4 to such insurance or annuities for fee, commission, or other
5 compensation, other than as a salaried bona fide full-time
6 employee so counseling and advising his employer relative to
7 the insurance interests of the employer and of the
8 subsidiaries or business affiliates of the employer or with
9 respect to the insurance interests of employees of such
10 employer, subsidiaries, or affiliates under group insurance
11 or similar insurance plans arranged by the employer or
12 employers of such employees.

13 (7) A person licensed to sell coverage only for the
14 all-risk federal crop insurance program shall receive a
15 license restricted to that purpose."

16 NEW SECTION. Section 3. Extension of authority. Any
17 existing authority of the commissioner of insurance to make
18 rules on the subject of the provisions of this act is
19 extended to the provisions of this act.

20 NEW SECTION. SECTION 4. EFFECTIVE DATE. THIS ACT IS
21 EFFECTIVE ON PASSAGE AND APPROVAL.

-End-

SENATE BILL NO. 295

INTRODUCED BY MEYER, DEVLIN, BULGER, PISTORIA, KOLSTAD,
 NISBET, ASAY, ELLISON, MCCALLUM, BARDANOUVE, PECK, HANSON,
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examination as to his competence to act as such agent or
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(2) If the applicant is a firm or corporation, the
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(3) Examination of an applicant for an agent's license
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 applicant has applied to be licensed, as constituted by any
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- (a) life insurance;
- (b) disability insurance;
- (c) property insurance; for the purposes of this
 provision, "marine" insurance shall be deemed to be included
 in "property" insurance;
- (d) casualty insurance;
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- (g) credit life and disability insurance;
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2 solicitor as to the kind or kinds of insurance to be
3 transacted as of or immediately prior to January 1, 1961,
4 and thereafter continuing to be so licensed;

5 (b) any applicant for license covering the same kind
6 or kinds of insurance as to which the applicant was licensed
7 in this state, other than under a temporary license, within
8 the 12 months next preceding date of application unless such
9 previous license was suspended, revoked, or continuation
10 thereof refused by the commissioner, except that the
11 provisions of this subsection (5)(b) do not apply to title
12 agents, as defined in 33-25-105;

13 (c) any applicant for license as nonresident agent,
14 subject to reciprocal arrangements as provided for in this
15 code;

16 (d) all applicants for license as agent for an insurer
17 that confines its business in this state substantially to
18 the insuring of the property, interests, and risks of
19 farmers, if exempted from examination by the commissioner,
20 in his discretion, upon written request of the insurer;

21 (e) any applicant for an agent's license to sell
22 all-risk federal crop insurance if the applicant provides
23 certification from an appropriate governmental agency to the
24 commissioner that he is qualified to sell such insurance;

25 ~~(e)~~(f) transportation ticket agents of common carriers

1 applying for license to solicit and sell only:

2 (i) accident insurance ticket policies; or

3 (ii) insurance of personal effects while being carried
4 as baggage on such common carrier, as incidental to their
5 duties as such transportation ticket agents;

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7 33-17-205;

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9 SECTION 2. SECTION 33-17-201, MCA, IS AMENDED TO READ:

10 "33-17-201. (Temporary) License required of agents,
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12 person shall in this state act as or hold himself out to be
13 an agent or solicitor as to subjects of insurance located,
14 resident, or to be performed in this state unless then
15 licensed as such agent or solicitor under this chapter.

16 (2) No person may act or hold himself out in this
17 state to be a managing general agent unless licensed as an
18 insurance agent under this chapter and appointed by the
19 insurers represented.

20 (3) No agent or solicitor shall solicit or take
21 application for, procure, or place for others any kind of
22 insurance as to which he is not then licensed.

23 (4) No agent shall place any business, other than
24 coverage of his own risks, with any insurer as to which he
25 does not then hold an appointment or license as agent under

1 this chapter, except as provided in 33-17-1104 as to life or
2 disability insurance agents and in 33-8-213.

3 (5) The commissioner shall prescribe and furnish forms
4 required in connection with application for, issuance,
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6 (6) Unless licensed as a life insurance agent as
7 required by this section, no person shall in this state
8 solicit life insurance or annuities or procure applications
9 therefor or engage or hold himself out as engaging in the
10 business of analyzing or abstracting life insurance policies
11 or annuities or of counseling or advising or giving
12 opinions, other than as a licensed attorney at law, relative
13 to such insurance or annuities for fee, commission, or other
14 compensation, other than as a salaried bona fide full-time
15 employee so counseling and advising his employer relative to
16 the insurance interests of the employer and of the
17 subsidiaries or business affiliates of the employer or with
18 respect to the insurance interests of employees of such
19 employer, subsidiaries, or affiliates under group insurance
20 or similar insurance plans arranged by the employer or
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4 to such insurance or annuities for fee, commission, or other
5 compensation, other than as a salaried bona fide full-time
6 employee so counseling and advising his employer relative to
7 the insurance interests of the employer and of the
8 subsidiaries or business affiliates of the employer or with
9 respect to the insurance interests of employees of such
10 employer, subsidiaries, or affiliates under group insurance
11 or similar insurance plans arranged by the employer or
12 employers of such employees.

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14 all-risk federal crop insurance program shall receive a
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18 rules on the subject of the provisions of this act is
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A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING FROM EXAMINATION CERTAIN APPLICANTS FOR AN AGENT'S LICENSE TO SELL ALL-RISK FEDERAL CROP INSURANCE; AND ALLOWING ISSUANCE OF A RESTRICTED LICENSE TO AN AGENT WHO SELLS ONLY ALL-RISK FEDERAL CROP INSURANCE; AMENDING SECTIONS 33-17-201 AND 33-17-212, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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examination as to his competence to act as such agent or solicitor.

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(3) Examination of an applicant for an agent's license shall cover all of the kinds of insurance for which the applicant has applied to be licensed, as constituted by any one or more of the following classifications:

- (a) life insurance;
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 23 certification BEFORE--JANUARY--17--1988 from an appropriate
 24 governmental agency to the commissioner that he is qualified
 25 to sell such insurance;

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11 business of analyzing or abstracting life insurance policies
12 or annuities or of counseling or advising or giving
13 opinions, other than as a licensed attorney at law, relative
14 to such insurance or annuities for fee, commission, or other
15 compensation, other than as a salaried bona fide full-time
16 employee so counseling and advising his employer relative to
17 the insurance interests of the employer and of the
18 subsidiaries or business affiliates of the employer or with
19 respect to the insurance interests of employees of such
20 employer, subsidiaries, or affiliates under group insurance
21 or similar insurance plans arranged by the employer or
22 employers of such employees.

23 (7) A person licensed to sell coverage only for the
24 all-risk federal crop insurance program shall receive a
25 license restricted to that purpose. (Terminates July 1,

1 1989--sec. 22, Ch. 11, Sp. L. March 1986.)

2 33-17-201. (Effective July 1, 1989) License required
3 of agents, managing general agents, and solicitors -- forms.

4 (1) No person shall in this state act as or hold himself out
5 to be an agent or solicitor as to subjects of insurance
6 located, resident, or to be performed in this state unless
7 then licensed as such agent or solicitor under this chapter.

8 (2) No person may act or hold himself out in this
9 state to be a managing general agent unless licensed as an
10 insurance agent under this chapter and appointed by the
11 insurers represented.

12 (3) No agent or solicitor shall solicit or take
13 application for, procure, or place for others any kind of
14 insurance as to which he is not then licensed.

15 (4) No agent shall place any business, other than
16 coverage of his own risks, with any insurer as to which he
17 does not then hold an appointment or license as agent under
18 this chapter, except as provided in 33-17-1104 as to life or
19 disability insurance agents.

20 (5) The commissioner shall prescribe and furnish forms
21 required in connection with application for, issuance,
22 continuation, or termination of licenses and appointments.

23 (6) Unless licensed as a life insurance agent as
24 required by this section, no person shall in this state
25 solicit life insurance or annuities or procure applications

1 therefor or engage or hold himself out as engaging in the
2 business of analyzing or abstracting life insurance policies
3 or annuities or of counseling or advising or giving
4 opinions, other than as a licensed attorney at law, relative
5 to such insurance or annuities for fee, commission, or other
6 compensation, other than as a salaried bona fide full-time
7 employee so counseling and advising his employer relative to
8 the insurance interests of the employer and of the
9 subsidiaries or business affiliates of the employer or with
10 respect to the insurance interests of employees of such
11 employer, subsidiaries, or affiliates under group insurance
12 or similar insurance plans arranged by the employer or
13 employers of such employees.

14 (7) A person licensed to sell coverage only for the
15 all-risk federal crop insurance program shall receive a
16 license restricted to that purpose."

17 NEW SECTION. Section 3. Extension of authority. Any
18 existing authority of the commissioner of insurance to make
19 rules on the subject of the provisions of this act is
20 extended to the provisions of this act.

21 NEW SECTION. SECTION 4. EFFECTIVE DATE. THIS ACT IS
22 EFFECTIVE ON PASSAGE AND APPROVAL.

-End-

STANDING COMMITTEE REPORT

HOUSE

MARCH 19

19 87

Mr. Speaker: We, the committee on BUSINESS AND LABOR

report SENATE BILL NO. 295

do pass

do not pass

be concurred in

be not concurred in

as amended

statement of intent attached



REP. LES KITSELMAN

Chairman

AMENDMENTS AS FOLLOWS:

1) Title, line 12

Following: "EXAMINATION"

Insert: "CERTAIN"

2) Page 3, line 23

Following: "certification"

Insert: "before January 1, 1988"

MS Rep. Fred Thomas will sponsor

THIRD reading copy (BLUE)
color

COMMITTEE OF THE WHOLE AMENDMENT

HOUSE

~~3-21-87~~
DATE

~~10:45~~
TIME

MR. CHAIRMAN: I MOVE TO AMEND SB 295

3rd reading copy (blue) as follows:
Color

- 1) Title, line 12.
Following: "EXAMINATION"
Strike: "CERTAIN"

- 2) Page 3, line 23.
Following: "certification"
Strike: "before January 1, 1988"

ADOPT

REJECT



Rep. Devlin