

SENATE BILL NO. 280
INTRODUCED BY BOYLAN, MEYER

IN THE SENATE

JANUARY 28, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS AND INDUSTRY.
	FIRST READING.
FEBRUARY 1, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 2, 1989	PRINTING REPORT.
FEBRUARY 3, 1989	SECOND READING, DO PASS.
FEBRUARY 4, 1989	ENGROSSING REPORT.
FEBRUARY 6, 1989	THIRD READING, PASSED. AYES, 49; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 6, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT.
FEBRUARY 20, 1989	FIRST READING.
MARCH 6, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 7, 1989	SECOND READING, CONCURRED IN.
MARCH 8, 1989	THIRD READING, CONCURRED IN. AYES, 92; NOES, 3.
	RETURNED TO SENATE.

MARCH 9, 1989

IN THE SENATE

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *280*
2 INTRODUCED BY *Raylan Meyer*
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCLUDE LOSS OF
5 INCOME INSURANCE IN INSURANCE THAT CAN BE WRITTEN IN
6 CONNECTION WITH CONSUMER LOANS; AND AMENDING SECTION
7 32-5-306, MCA."

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

10 **Section 1.** Section 32-5-306, MCA, is amended to read:

11 **"32-5-306. Insurance.** (1) No Except as provided in
12 this section, insurance of any kind shall may not be written
13 by a licensee or employee, affiliate, or associate of the
14 licensee, in connection with any loan ~~except as--hereinafter~~
15 ~~provided.~~

16 (2) Insurance permitted under the provisions of this
17 section shall be obtained through an insurance company
18 authorized to conduct such business in Montana by a duly
19 licensed agent or agency of this state. Premiums ~~shall~~ may
20 not exceed those fixed by law or current applicable manual
21 rates. Insurance written as authorized by this section may
22 contain a mortgagee clause or other appropriate provisions
23 to protect the insurable interest of the licensee.

24 (3) When the principal amount of the loan exceeds \$300
25 exclusive of the portion ~~thereof~~ of the loan attributable to

1 insurance premiums and charges, the licensee may require a
2 borrower to insure property offered as security against any
3 substantial risk of loss, damage, or destruction for an
4 amount not to exceed the reasonable value of the property
5 insured or the amount of the loan, whichever is smaller, and
6 for the customary term approximating the term of the loan
7 contract. It shall be optional with the borrower to obtain
8 such insurance in an amount greater than the amount of the
9 loan or for a longer term.

10 (4) Subject to the laws of this state, credit life
11 insurance, ~~and~~ credit disability insurance, ~~and~~ loss of
12 income insurance may be provided at the expense of the
13 borrower and may be provided by a licensee upon the request
14 of the borrower when the principal amount of the loan
15 exceeds \$300, exclusive of the portion ~~thereof~~ of the loan
16 attributable to insurance premiums and charges.

17 (5) The insurance authorized by this section may be
18 sold, obtained, or provided by or through a licensee, and
19 the premium or identifiable charge for the insurance may be
20 included in the principal amount of the loan; provided,
21 however, that ~~no a~~ licensee ~~shall~~ may not require a borrower
22 to purchase such insurance from ~~such the~~ licensee or from
23 any particular agent, broker, or insurance company as a
24 condition precedent for the obtaining of a loan. Any gain or
25 advantage to the licensee or any employee, affiliate, or

1 associate of the licensee from the sale, provision, or
2 obtaining of insurance as authorized by this section ~~shall~~
3 may not be deemed considered to be additional charges or a
4 violation of this chapter.

5 (6) A licensee ~~shall~~ may not require insurance under
6 this section until any existing insurance of the same type
7 has expired or has been canceled and the unearned portion of
8 the premium for the canceled insurance has been rebated to
9 the borrower.

10 (7) The amount of \$300 in subsections (3) and (4) is
11 subject to change pursuant to 32-5-104 on adjustment of
12 dollar amounts."

13 NEW SECTION. **Section 2.** Extension of authority. Any
14 existing authority to make rules on the subject of the
15 provisions of [this act] is extended to the provisions of
16 [this act].

-End-

APPROVED BY COMM. ON
BUSINESS & INDUSTRY

1 *Senate* BILL NO. *280*
2 INTRODUCED BY *Bryan Meyer*
3
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1 associate of the licensee from the sale, provision, or
2 obtaining of insurance as authorized by this section ~~shall~~
3 may not be ~~deemed~~ considered to be additional charges or a
4 violation of this chapter.

5 (6) A licensee ~~shall~~ may not require insurance under
6 this section until any existing insurance of the same type
7 has expired or has been canceled and the unearned portion of
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