

HOUSE BILL NO. 513

INTRODUCED BY DOWELL, LYNCH, BIANCHI, QUILICI,
PAVLOVICH, MENAHAN, TVEIT, HARDING, BROOKE,
MCCLERNAN, FORRESTER, KLAMPE
BY REQUEST OF THE STATE AUDITOR

IN THE HOUSE

FEBRUARY 6, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT. FIRST READING.
FEBRUARY 12, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 13, 1993	PRINTING REPORT. SECOND READING, DO PASS.
FEBRUARY 15, 1993	ENGROSSING REPORT.
FEBRUARY 16, 1993	THIRD READING, PASSED. AYES, 87; NOES, 12.
FEBRUARY 17, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 20, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY. FIRST READING.
MARCH 10, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 11, 1993	SECOND READING, CONCURRED IN.
MARCH 12, 1993	THIRD READING, CONCURRED IN. AYES, 48; NOES, 0. RETURNED TO HOUSE.

IN THE HOUSE

MARCH 13, 1993	RECEIVED FROM SENATE. SENT TO ENROLLING.
----------------	---

REPORTED CORRECTLY ENROLLED.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

House BILL NO. 5B-
INTRODUCED BY *David Spurr Branchi*
BY REQUEST OF THE STATE AUDITOR *Harding Chase*
McLean *Forrest*

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING WITHIN THE INSURANCE DEPARTMENT A CONSUMER PROTECTION DIVISION TO BE ADMINISTERED BY THE STATE AUDITOR AS INSURANCE COMMISSIONER; AND AMENDING SECTIONS 2-15-1902, 33-1-202, 33-1-303, AND 33-1-311, MCA."

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

Section 1. Section 2-15-1902, MCA, is amended to read:

"2-15-1902. Insurance department. (1) There is an insurance department of this state which ~~shall~~ that must be located in or convenient to the office occupied by the state auditor.

(2) There is a consumer protection division within the insurance department.

(3) The insurance department ~~shall--be~~ is under the control and supervision of the commissioner.

(4) Funds adequate for the maintenance and operation of the insurance department ~~shall~~ must be expressly appropriated by the legislature and ~~shall~~ must be used solely for the purposes for which they are ~~so~~ appropriated."

Section 2. Section 33-1-202, MCA, is amended to read:

"33-1-202. Definitions -- entities. For the purposes of this code, the following definitions apply unless the context requires otherwise:

(1) "Commissioner" means the commissioner of insurance of the state of Montana.

(2) "Department" means the department of insurance of the state of Montana.

(3) "Division" means the department's consumer protection division established in 2-15-1902.

(4) "Person" includes an individual, insurer, company, association, organization, Lloyd's, society, reciprocal or interinsurance exchange, partnership, syndicate, business trust, corporation, or any other legal entity.

(5) "Resident of this state" means a person who has maintained a principal residence within the state of Montana for a period of not less than 2 consecutive years."

Section 3. Section 33-1-303, MCA, is amended to read:

"33-1-303. Deputies and assistants -- employment, compensation, and termination. (1) The commissioner shall appoint a chief deputy insurance commissioner who ~~shall--be~~ is in charge of the insurance department under the direction and control of the commissioner.

(2) The commissioner may appoint additional deputy insurance commissioners for the purposes that he ~~the~~ commissioner designates.

(3) The commissioner may employ a competent insurance actuary to perform actuarial duties, if any, of the department, to take charge of or assist in the examination of insurers, and to perform other duties assigned to him the commissioner.

(4) The commissioner may appoint or employ examiners to conduct or assist in examinations of insurers and others provided for under the code. Examiners must be competent, because of experience or special education or training, to fulfill the responsibilities of an insurance examiner.

(5) The commissioner may appoint or employ insurance protection analysts for the purpose of ensuring that insurers and their representatives comply with market regulations provided by law.

(6) The commissioner may appoint and employ a field investigator whose primary duty it is, as directed by the commissioner, to make investigations in this state of violations or claimed violations of this code.

(7) The commissioner may appoint a chief clerk for the insurance department and employ such other assistants and clerks as may be necessary to assist him the commissioner properly to discharge the duties imposed upon him under this code.

(8) The commissioner may at any time terminate the appointment, designation, or employment of any such deputy,

actuary, chief clerk, or other employee.

(9) The commissioner may from time to time contract for and procure, on a fee or part-time basis, or both, such actuarial, technical, or other professional services as he the commissioner may require for the discharge of his duties.

(10) The compensation of the commissioner's personal staff, as defined in Title 2, chapter 18, part 1, shall be as fixed by the commissioner but in the aggregate may not exceed current funds appropriated by the legislature to the insurance department or otherwise currently available for the purpose."

Section 4. Section 33-1-311, MCA, is amended to read:

"33-1-311. General powers and duties. (1) The commissioner shall enforce the provisions of this code and shall execute the duties imposed upon him by this code.

(2) The commissioner shall have the powers and authority expressly conferred upon him the commissioner by or reasonably implied from the provisions of this code.

(3) The commissioner shall administer the division to ensure that the interests of insurance consumers are protected.

(4) The commissioner may conduct such examinations and investigations of insurance matters, in addition to examinations and investigations expressly authorized, as he

1 ~~may-deem~~ the commissioner considers proper to determine
2 whether any person has violated any provision of this code
3 or to secure information useful in the lawful administration
4 of any ~~such~~ provision. The cost of ~~such~~ additional
5 examinations and investigations ~~shall~~ must be borne by the
6 state.

7 ~~{4}{5}~~ The commissioner ~~shall-have-such~~ has additional
8 powers and duties as ~~may-be~~ provided by other laws of this
9 state.

10 ~~{5}{6}~~ The department is a criminal justice agency as
11 defined in 44-5-103."

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0513, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

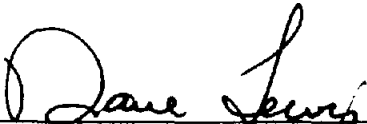
An act creating within the insurance department in the State Auditor's Office a consumer protection division to be administered by the state auditor as insurance commissioner.

ASSUMPTIONS:

1. Duties outlined in the proposed legislation are currently being done within existing budget levels in the State Auditor's Office.

FISCAL IMPACT:

None.

 2-11-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 2/12
TIM DOWELL, PRIMARY SPONSOR DATE

Fiscal Note for HB0513, as introduced

HB513

APPROVED BY COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT

HOUSE BILL NO. 513

INTRODUCED BY DOWELL, LYNCH, BIANCHI, QUILICI,

PAVLOVICH, MENAHAN, TVEIT, HARDING, BROOKE,

MCCLERNAN, FORRESTER, KLAMPE

BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING--WITHIN--THE
INSURANCE--DEPARTMENT--A--CONSUMER-PROTECTION-DIVISION--TO--BE
ADMINISTERED--BY REQUIRING THE STATE AUDITOR, AS INSURANCE
COMMISSIONER, TO ENSURE THAT THE INTERESTS OF INSURANCE
CONSUMERS ARE PROTECTED; AND AMENDING SECTIONS 2-15-1902,
33-1-202, 33-1-303, AND 33-1-311, MCA."

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

Section 1. Section 2-15-1902, MCA, is amended to read:--

"2-15-1902. Insurance--department. (1) There--is--an
insurance-department-of-this-state-which-shall that must be
located-in-or-convenient-to-the-office-occupied-by-the-state
auditor.

(2) There--is-a-consumer-protection-division-within-the
insurance-department.

(3) The insurance-department--shall--be is under--the
control-and-supervision-of-the-commissioner.

(3)(4) Funds--adequate-for-the-maintenance-and-operation
of---the---insurance--department--shall must be--expressly

appropriated-by-the--legislature--and--shall must be--used
solely-for-the-purposes-for-which they are so-appropriated."

Section 2. Section 33-1-202, MCA, is amended to read:--

"33-1-202. Definitions--entities. For-the-purposes-of
this--code,--the--following--definitions--apply--unless--the
context-requires-otherwise:

(1) "Commissioner"--means-the-commissioner-of-insurance
of-the-state-of-Montana;

(2) "Department"--means-the-department-of--insurance--of
the-state-of-Montana;

(3) "Division"--means--the---department's---consumer
protection-division-established-in-2-15-1902;

(4) "Person"--includes-an-individual, insurer, company,
association, organization, blood's, society, reciprocal or
interinsurance-exchange, partnership, syndicate, business
trust, corporation, or any other legal entity;

(4)(5) "Resident--of-this-state"--means-a-person-who-has
maintained-a-principal-residence-within-the-state-of-Montana
for-a-period-of-not-less-than-2-consecutive-years."

Section 1. Section 33-1-303, MCA, is amended to read:

"33-1-303. Deputies and assistants -- employment,
compensation, and termination. (1) The commissioner shall
appoint a chief deputy insurance commissioner who shall--be
is in charge of the insurance department under the direction
and control of the commissioner.

(2) The commissioner may appoint additional deputy insurance commissioners for the purposes that he the commissioner designates.

(3) The commissioner may employ a competent insurance actuary to perform actuarial duties, if any, of the department, to take charge of or assist in the examination of insurers, and to perform other duties assigned to him the commissioner.

(4) The commissioner may appoint or employ examiners to conduct or assist in examinations of insurers and others provided for under the code. Examiners must be competent, because of experience or special education or training, to fulfill the responsibilities of an insurance examiner.

(5) The commissioner may SHALL appoint or employ insurance protection analysts for the purpose of ensuring that insurers and their representatives comply with market regulations provided by law.

(6) The commissioner may appoint and employ a field investigator whose primary duty it is, as directed by the commissioner, to make investigations in this state of violations or claimed violations of this code.

~~(7)~~(7) The commissioner may appoint a chief clerk for the insurance department and employ such other assistants and clerks as may be necessary to assist him the commissioner properly to discharge the duties imposed upon

him under this code.

~~(7)~~(8) The commissioner may at any time terminate the appointment, designation, or employment of any such deputy, actuary, chief clerk, or other employee.

~~(8)~~(9) The commissioner may from time to time contract for and procure, on a fee or part-time basis, or both, such actuarial, technical, or other professional services as he the commissioner may require for the discharge of his duties.

~~(9)~~(10) The compensation of the commissioner's personal staff, as defined in Title 2, chapter 18, part 1, shall be as fixed by the commissioner but in the aggregate may not exceed current funds appropriated by the legislature to the insurance department or otherwise currently available for the purpose."

Section 2. Section 33-1-311, MCA, is amended to read:

"33-1-311. General powers and duties. (1) The commissioner shall enforce the provisions of this code and shall execute the duties imposed upon-him by this code.

(2) The commissioner shall have the powers and authority expressly conferred upon him the commissioner by or reasonably implied from the provisions of this code.

(3) The commissioner shall administer the division DEPARTMENT to ensure that the interests of insurance consumers are protected.

1 (4) The commissioner may conduct such examinations and
2 investigations of insurance matters, in addition to
3 examinations and investigations expressly authorized, as he
4 ~~may--deem~~ the commissioner considers proper to determine
5 whether any person has violated any provision of this code
6 or to secure information useful in the lawful administration
7 of any such provision. The cost of such additional
8 examinations and investigations ~~shall~~ must be borne by the
9 state.

10 ~~(4)~~(5) The commissioner ~~shall-have-such~~ has additional
11 powers and duties as ~~may-be~~ provided by other laws of this
12 state.

13 ~~(5)~~(6) The department is a criminal justice agency as
14 defined in 44-5-103."

-End-

HOUSE BILL NO. 513

INTRODUCED BY DOWELL, LYNCH, BIANCHI, QUILICI,

PAVLOVICH, MENAHAN, TVEIT, HARDING, BROOKE,

MCCLERNAN, FORRESTER, KLAMPE

BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING--WITHIN--THE
INSURANCE--DEPARTMENT--A--CONSUMER-PROTECTION-DIVISION--TO--BE
ADMINISTERED--BY REQUIRING THE STATE AUDITOR, AS INSURANCE
COMMISSIONER, TO ENSURE THAT THE INTERESTS OF INSURANCE
CONSUMERS ARE PROTECTED; AND AMENDING SECTIONS 2-15-1902,
33-1-202, 33-1-303, AND 33-1-311, MCA."

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

~~Section 1. Section 2-15-1902, MCA, is amended to read:--~~

~~"2-15-1902. Insurance--department. (1) There--is--an
insurance-department-of-this-state-which-shall that-must be
located-in-or-convenient-to-the-office-occupied-by-the-state
auditor.~~

~~(2) There--is--a-consumer-protection-division-within-the
insurance-department.~~

~~(3) The insurance-department--shall--be is under--the
control-and-supervision-of-the-commissioner.~~

~~(3)(4) Funds-adequate-for-the-maintenance-and-operation
of--the--insurance--department--shall must be--expressly~~

~~appropriated-by-the--legislature--and--shall must be--used
solely-for-the-purposes-for-which they-are so-appropriated."~~

~~Section 2. Section 33-1-202, MCA, is amended to read:--~~

~~"33-1-202. Definitions---entities. For-the-purposes-of
this--code,--the--following--definitions--apply--unless--the
context-requires-otherwise:~~

~~(1) "Commissioner"--means-the-commissioner-of-insurance
of-the-state-of-Montana;~~

~~(2) "Department"--means-the-department-of--insurance--of
the-state-of-Montana;~~

~~(3) "Division"---means---the---department's---consumer
protection-division-established-in-2-15-1902;~~

~~(4) "Person"--includes-an-individual, insurer, company,
association, organization, bloyd's, society, reciprocal or
interinsurance-exchange, partnership, syndicate, business
trust, corporation or any other legal entity.~~

~~(4)(5) "Resident--of-this-state"--means-a-person-who-has
maintained-a-principal-residence-within-the-state-of-Montana
for-a-period-of-not-less-than-2-consecutive-years."~~

~~Section 1. Section 33-1-303, MCA, is amended to read:~~

~~"33-1-303. Deputies and assistants -- employment,
compensation, and termination. (1) The commissioner shall
appoint a chief deputy insurance commissioner who shall--be
is in charge of the insurance department under the direction
and control of the commissioner.~~

1 (2) The commissioner may appoint additional deputy
2 insurance commissioners for the purposes that he the
3 commissioner designates.

4 (3) The commissioner may employ a competent insurance
5 actuary to perform actuarial duties, if any, of the
6 department, to take charge of or assist in the examination
7 of insurers, and to perform other duties assigned to him the
8 commissioner.

9 (4) The commissioner may appoint or employ examiners to
10 conduct or assist in examinations of insurers and others
11 provided for under the code. Examiners must be competent,
12 because of experience or special education or training, to
13 fulfill the responsibilities of an insurance examiner.

14 (5) The commissioner may SHALL appoint or employ
15 insurance protection analysts for the purpose of ensuring
16 that insurers and their representatives comply with market
17 regulations provided by law.

18 (6) The commissioner may appoint and employ a field
19 investigator whose primary duty it is, as directed by the
20 commissioner, to make investigations in this state of
21 violations or claimed violations of this code.

22 (6)(7) The commissioner may appoint a chief clerk for
23 the insurance department and employ such other assistants
24 and clerks as may be necessary to assist him the
25 commissioner properly to discharge the duties imposed upon

1 him under this code.

2 (7)(8) The commissioner may at any time terminate the
3 appointment, designation, or employment of any such deputy,
4 actuary, chief clerk, or other employee.

5 (8)(9) The commissioner may from time to time contract
6 for and procure, on a fee or part-time basis, or both, such
7 actuarial, technical, or other professional services as he
8 the commissioner may require for the discharge of his
9 duties.

10 (9)(10) The compensation of the commissioner's personal
11 staff, as defined in Title 2, chapter 18, part 1, shall be
12 as fixed by the commissioner but in the aggregate may not
13 exceed current funds appropriated by the legislature to the
14 insurance department or otherwise currently available for
15 the purpose."

16 Section 2. Section 33-1-311, MCA, is amended to read:

17 "33-1-311. General powers and duties. (1) The
18 commissioner shall enforce the provisions of this code and
19 shall execute the duties imposed upon him by this code.

20 (2) The commissioner shall have the powers and
21 authority expressly conferred upon him the commissioner by
22 or reasonably implied from the provisions of this code.

23 (3) The commissioner shall administer the division
24 DEPARTMENT to ensure that the interests of insurance
25 consumers are protected.

1 (4) The commissioner may conduct such examinations and
2 investigations of insurance matters, in addition to
3 examinations and investigations expressly authorized, as he
4 may--deem the commissioner considers proper to determine
5 whether any person has violated any provision of this code
6 or to secure information useful in the lawful administration
7 of any such provision. The cost of such additional
8 examinations and investigations shall must be borne by the
9 state.

10 ~~(4)~~(5) The commissioner shall~~-have-such~~ has additional
11 powers and duties as may~~-be~~ provided by other laws of this
12 state.

13 ~~(5)~~(6) The department is a criminal justice agency as
14 defined in 44-5-103."

-End-

HOUSE BILL NO. 513

INTRODUCED BY DOWELL, LYNCH, BIANCHI, QUILICI,

PAVLOVICH, MENAHAN, TVEIT, HARDING, BROOKE,

MCCLERNAN, FORRESTER, KLAMPE

BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING--WITHIN--THE
INSURANCE--DEPARTMENT--A--CONSUMER-PROTECTION-DIVISION-TO-BE
ADMINISTERED-BY REQUIRING THE STATE AUDITOR, AS INSURANCE
COMMISSIONER, TO ENSURE THAT THE INTERESTS OF INSURANCE
CONSUMERS ARE PROTECTED; AND AMENDING SECTIONS 2-15-1902,
33-1-202, 33-1-303, AND 33-1-311, MCA."

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

Section 1. Section 2-15-1902, MCA, is amended to read:

"2-15-1902. Insurance--department. (1) There--is--an
insurance-department-of-this-state-which-shall that-must be
located-in-or-convenient-to-the-office-occupied-by-the-state
auditor.

(2) There--is-a-consumer-protection-division-within-the
insurance-department.

(3) The-insurance-department--shall--be is under--the
control-and-supervision-of-the-commissioner.

(3)(4) Funds-adequate-for-the-maintenance-and-operation
of--the--insurance--department--shall must be--expressly

appropriated-by-the--legislature--and--shall must be--used
solely-for-the-purposes-for-which they-are so-appropriated."

Section 2. Section 33-1-202, MCA, is amended to read:

"33-1-202. Definitions--entities. For-the-purposes-of
this--code,--the--following--definitions--apply--unless--the
context-requires-otherwise:

(1) "Commissioner"--means-the-commissioner-of-insurance
of-the-state-of-Montana.

(2) "Department"--means-the-department-of--insurance--of
the-state-of-Montana.

(3) "Division"---means---the---department's---consumer
protection-division-established-in-2-15-1902.

(4) "Person" includes-an-individual, insurer,--company,
association,--organization,--body's, society, reciprocal or
interinsurance-exchange,--partnership,--syndicate,--business
trust, corporation, or any other legal entity.

(4)(5) "Resident--of-this-state" means-a-person-who-has
maintained-a-principal-residence-within-the-state-of-Montana
for-a-period-of-not-less-than-2-consecutive-years."

Section 1. Section 33-1-303, MCA, is amended to read:

"33-1-303. Deputies and assistants -- employment,
compensation, and termination. (1) The commissioner shall
appoint a chief deputy insurance commissioner who shall--be
is in charge of the insurance department under the direction
and control of the commissioner.

(2) The commissioner may appoint additional deputy insurance commissioners for the purposes that he the commissioner designates.

(3) The commissioner may employ a competent insurance actuary to perform actuarial duties, if any, of the department, to take charge of or assist in the examination of insurers, and to perform other duties assigned to him the commissioner.

(4) The commissioner may appoint or employ examiners to conduct or assist in examinations of insurers and others provided for under the code. Examiners must be competent, because of experience or special education or training, to fulfill the responsibilities of an insurance examiner.

(5) The commissioner may SHALL appoint or employ insurance protection analysts for the purpose of ensuring that insurers and their representatives comply with market regulations provided by law.

(6) The commissioner may appoint and employ a field investigator whose primary duty it is, as directed by the commissioner, to make investigations in this state of violations or claimed violations of this code.

(7) The commissioner may appoint a chief clerk for the insurance department and employ such other assistants and clerks as may be necessary to assist him the commissioner properly to discharge the duties imposed upon

him under this code.

(8) The commissioner may at any time terminate the appointment, designation, or employment of any such deputy, actuary, chief clerk, or other employee.

(9) The commissioner may from time to time contract for and procure, on a fee or part-time basis, or both, such actuarial, technical, or other professional services as he the commissioner may require for the discharge of his duties.

(10) The compensation of the commissioner's personal staff, as defined in Title 2, chapter 18, part 1, shall be as fixed by the commissioner but in the aggregate may not exceed current funds appropriated by the legislature to the insurance department or otherwise currently available for the purpose."

Section 2. Section 33-1-311, MCA, is amended to read:

"33-1-311. General powers and duties. (1) The commissioner shall enforce the provisions of this code and shall execute the duties imposed upon him by this code.

(2) The commissioner shall have the powers and authority expressly conferred upon him the commissioner by or reasonably implied from the provisions of this code.

(3) The commissioner shall administer the division DEPARTMENT to ensure that the interests of insurance consumers are protected.

1 (4) The commissioner may conduct such examinations and
2 investigations of insurance matters, in addition to
3 examinations and investigations expressly authorized, as he
4 may--deem the commissioner considers proper to determine
5 whether any person has violated any provision of this code
6 or to secure information useful in the lawful administration
7 of any such provision. The cost of such additional
8 examinations and investigations shall must be borne by the
9 state.

10 ~~(4)~~(5) The commissioner shall-have-such has additional
11 powers and duties as may-be provided by other laws of this
12 state.

13 ~~(5)~~(6) The department is a criminal justice agency as
14 defined in 44-5-103."

-End-