

SENATE BILL NO. 420

INTRODUCED BY LYNCH

IN THE SENATE

FEBRUARY 17, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
	FIRST READING.
FEBRUARY 19, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 20, 1993	PRINTING REPORT.
FEBRUARY 22, 1993	SECOND READING, DO PASS.
FEBRUARY 23, 1993	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 49; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 23, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
	FIRST READING.
MARCH 11, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 13, 1993	SECOND READING, CONCURRED IN.
MARCH 16, 1993	THIRD READING, CONCURRED IN. AYES, 92; NOES, 5.
MARCH 17, 1993	RETURNED TO SENATE.

IN THE SENATE

MARCH 18, 1993	RECEIVED FROM HOUSE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

1 Senate BILL NO. 420  
2 INTRODUCED BY Lynch  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING JOINT DEBTORS  
5 TO BE COVERED UNDER A JOINT POLICY OF CREDIT LIFE OR CREDIT  
6 DISABILITY INSURANCE; AND AMENDING SECTIONS 33-21-103 AND  
7 33-21-201, MCA."  
8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1.** Section 33-21-103, MCA, is amended to read:

11 "33-21-103. Definitions. As used in this chapter, the  
12 following definitions apply:

13 (1) "Credit disability insurance" means insurance on a  
14 debtor or joint debtors to provide indemnity for payments  
15 becoming due on a specific loan or other credit transaction  
16 while the debtor or either of the joint debtors is disabled  
17 as defined in the policy.

18 (2) "Credit life insurance" means insurance on the life  
19 of a debtor or the lives of joint debtors pursuant to or in  
20 connection with a specific loan or other credit transaction.

21 (3) "Creditor" means:

22 (a) a lender of money or vendor or lessor of goods,  
23 services, property, rights, or privileges, for which payment  
24 is arranged through a credit transaction;

25 (b) any successor to the right, title, or interest of a

1 lender, vendor, or lessor;

2 (c) an affiliate, associate, or subsidiary of a lender,  
3 vendor, or lessor;

4 (d) a director, officer, or employee of a lender,  
5 vendor, or lessor; or

6 (e) any other person in any way associated with a  
7 lender, vendor, or lessor.

8 (4) "Credit transaction" means a transaction by the  
9 terms of which, at a future date:

10 (a) repayment of money loaned is made;

11 (b) a loan commitment is made; or

12 (c) payment for goods, services, or property sold or  
13 leased is made.

14 (5) "Debtor" means a borrower of money or a purchaser  
15 or lessee of goods, services, property, rights, or  
16 privileges for which payment is arranged through a credit  
17 transaction.

18 (6) "Indebtedness" means the total amount payable by a  
19 debtor to a creditor in connection with a loan or other  
20 credit transaction.

21 (7) "Open-end credit" means credit extended by a  
22 creditor under an agreement in which:

23 (a) the creditor reasonably contemplates repeated  
24 transactions;

25 (b) the creditor imposes a finance charge from time to

1 time on an outstanding unpaid balance; and

2 (c) the amount of credit that may be extended to the  
3 debtor during the term of the agreement (up to any limit set  
4 by the creditor) is generally made available to the extent  
5 that any outstanding balance is repaid."

6 **Section 2.** Section 33-21-201, MCA, is amended to read:

7 "33-21-201. Form of issuance. An insurer may deliver or  
8 issue for delivery credit life insurance and credit  
9 disability insurance only in the following forms:

10 (1) individual policies of life insurance issued to  
11 debtors on a term plan;

12 (2) individual policies of disability insurance issued  
13 to debtors on a term plan or disability benefit provisions  
14 in individual policies of credit life insurance;

15 (3) group policies of life insurance issued to  
16 creditors providing insurance upon on the lives of debtors  
17 on a term plan;

18 (4) group policies of disability insurance issued to  
19 creditors on a term plan insuring debtors or disability  
20 provisions in group credit life insurance policies to  
21 provide such disability coverage;

22 (5) joint policies of life insurance issued to  
23 creditors providing insurance jointly on the lives of joint  
24 debtors on a term plan; or

25 (6) joint policies of disability insurance issued to

1 creditors on a term plan insuring joint debtors or  
2 disability provisions in joint credit life insurance  
3 policies to provide disability coverage."

-End-

APPROVED BY COMM. ON  
BUSINESS & INDUSTRY

SENATE BILL NO. 420

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A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING JOINT DEBTORS  
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while the debtor or either of the joint debtors is disabled  
as defined in the policy.

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of a debtor or the lives of joint debtors pursuant to or in  
connection with a specific loan or other credit transaction.

(3) "Creditor" means:

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services, property, rights, or privileges, for which payment  
is arranged through a credit transaction;

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(b) the creditor imposes a finance charge from time to

time on an outstanding unpaid balance; and

(c) the amount of credit that may be extended to the debtor during the term of the agreement (up to any limit set by the creditor) is generally made available to the extent that any outstanding balance is repaid."

**Section 2.** Section 33-21-201, MCA, is amended to read:

"33-21-201. **Form of issuance.** An insurer may deliver or issue for delivery credit life insurance and credit disability insurance only in the following forms:

(1) individual policies of life insurance issued to debtors on a term plan;

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(3) group policies of life insurance issued to creditors providing insurance ~~upon~~ on the lives of debtors on a term plan;

(4) group policies of disability insurance issued to creditors on a term plan insuring debtors or disability provisions in group credit life insurance policies to provide ~~such disability~~ coverage;

(5) joint policies of life insurance issued to  
creditors DEBTORS providing insurance jointly on the lives  
of joint debtors on a term plan; or

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