

House BILL NO. 193

INTRODUCED BY

Larson *Tom Nelson* *Wm Ryan* *James Miller*

Forester

BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT ADDING TWO MEMBERS OF THE PUBLIC TO THE BOARDS OF DIRECTORS OF THE MONTANA INSURANCE GUARANTY ASSOCIATION AND THE MONTANA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION; AND AMENDING SECTIONS 33-10-104 AND 33-10-204, MCA."

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

Section 1. Section 33-10-104, MCA, is amended to read:

"33-10-104. Board of directors -- commissioner approval -- compensation. (1) The board of directors of the association ~~shall consist~~ consists of not less than five or more than nine persons serving terms as established in the plan of operation. Two of the members must be appointed from the public at large by the commissioner. The other members of the board ~~shall~~ must be selected by member insurers subject to the approval of the commissioner. Vacancies on the board ~~shall~~ must be filled for the remaining period of the term in the same manner as initial appointments.

(2) In approving selections to the board, the commissioner shall consider among other things whether all member insurers are fairly represented.

(3) Members of the board may be reimbursed from the assets of the association for expenses incurred by them as members of the board of directors."

Section 2. Section 33-10-204, MCA, is amended to read:

"33-10-204. Board of directors -- commissioner approval -- compensation. (1) The board of directors of the association ~~shall consist~~ consists of ~~five~~ seven members serving terms as established in the plan of operation. Two of the members must be appointed from the public at large by the commissioner. The other members of the board ~~shall~~ must be selected by member insurers subject to the approval of the commissioner. Vacancies on the board ~~shall~~ must be filled for the remaining period of the term in the manner described in the plan of operation. In approving selections or in appointing members

1 to the board, the commissioner shall consider, among other things, whether all member insurers are fairly
2 represented.

3 (2) Members of the board may be reimbursed from the assets of the association for expenses
4 incurred by them as members of the board of directors, but members of the board may not otherwise be
5 compensated by the association for their services. However, any designated representatives of members
6 of the board who are not full-time employees of the member insurers that designated them may receive
7 reasonable compensation for their services on the board of directors upon annual approval by the members
8 of the association."

9

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0193, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act adding two members of the public to the boards of directors of the Montana Insurance Guaranty Association and the Montana Life and Health Insurance Guaranty Association.

ASSUMPTIONS:

1. The new public members will be reimbursed in the same manner as current board members through assessments on association members.
2. Costs of the new members are not deductible and will not effect premium tax payments.

FISCAL IMPACT:

Passage of HB0193 will have no fiscal impact on state government.

Dave Lewis 1-17-95
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Don Larson
DON LARSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0193, as introduced

HB 193

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24 **Section 2.** Section 33-10-204, MCA, is amended to read:

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