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SENATE BILL NO. 277

INTRODUCED BY

Linda Nelson *Stacy Bergum*

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A FARM MUTUAL INSURER TO INSURE PROPERTY WITHIN AN INCORPORATED CITY OR TOWN WITH A POPULATION OF LESS THAN 15,000 AND ALLOWING COVERAGE TO CONTINUE EVEN IF THE POPULATION OF THE INCORPORATED CITY OR TOWN MEETS OR EXCEEDS 15,000; AND AMENDING SECTION 33-4-501, MCA."

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

Section 1. Section 33-4-501, MCA, is amended to read:

"33-4-501. Insuring powers in general. (1) In respect to property insurance as defined in 33-1-210, a farm mutual insurer shall insure against loss or damage by fire or other casualty only:

(a) rural dwellings and buildings, including the usual contents, farm livestock, machinery, vehicles, growing crops, and other forms of farm property owned by a member of the insurer or by the member's spouse;

(b) residential dwellings, appurtenant structures, and personal property owned by a member of the insurer or by the member's spouse and located:

(i) outside the boundaries of an incorporated city or town; or

(ii) in an incorporated city or town with a population of less than 15,000;

(c) dwellings and related buildings designed for occupancy by not over two families, together with the usual contents, situated in an incorporated city or town with a population of less than 15,000, but only if the property is owned by a member of the insurer or by the member's spouse and if the member has other insurance of rural property with the insurer;

(d) rural schoolhouses and buildings used in connection with the schoolhouse, rural community houses, rural churches, or other rural public buildings.

(2) A farm mutual insurer may insure against the liability risks provided in 33-1-206(1)(b) only to the extent of the limit of risks provided in 33-4-502(3) and only if every policy bears on its face in boldface type a statement that each member of the farm mutual insurer is subject to a contingent liability under 33-3-411.

1 (3) Except as provided in subsection ~~(1)(e)~~ (1)(d), an insurer may not insure any property not
2 owned by a member or by the member's spouse.

3 (4) An insurer may not insure any property situated within the limits of an incorporated town or
4 cities city or town except as provided in ~~subsection~~ subsections (1)(b)(ii), (1)(c), and (5) and may not insure
5 the property unless it has and maintains the surplus funds as required under 33-4-401.

6 (5) An insurer may continue to insure property situated within the limits of an incorporated city or
7 town with a population of 15,000 or more if the insured obtained coverage when the incorporated city or
8 town had a population of less than 15,000."

9

-END-

APPROVED BY COM ON
LOCAL GOVERNMENT

1 SENATE BILL NO. 277

2 INTRODUCED BY L. NELSON, BERGSAGEL

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15 growing crops, and other forms of farm property owned by a member of the insurer or by the member's
16 spouse;

17 (b) residential dwellings, appurtenant structures, and personal property owned by a member of the
18 insurer or by the member's spouse and located:

19 (i) outside the boundaries of an incorporated city or town; or

20 (ii) in an incorporated city or town with a population of ~~less~~ MORE than 15,000;

21 (c) dwellings and related buildings designed for occupancy by not over two families, together with
22 the usual contents, situated in an incorporated city or town with a population of less than 15,000, but only
23 if the property is owned by a member of the insurer or by the member's spouse and if the member has
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27 (2) A farm mutual insurer may insure against the liability risks provided in 33-1-206(1)(b) only to
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HOUSE STANDING COMMITTEE REPORT

March 10, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Business and Labor** report that **Senate Bill 277** (third reading copy -- blue) be concurred in as amended.

Signed:

A handwritten signature in black ink, appearing to read "Bruce Simon".

Bruce Simon, Chair

Carried by: Rep. Bergsagel

And, that such amendments read:

1. Page 1, line 20.
Strike: "MORE"
Insert: "less"

2. Page 1, line 22.
Strike: "less than"
Following: "15,000"
Insert: "or more"

-END-

SB 277

HOUSE

561427SC.Hbk

Committee Vote:
Yes 18, No 0.

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