

Proposed Amendments  
Senate Bill No. 114  
Introduced Bill

Requested by Blue Cross Blue Shield of Montana

Prepared by Greg Gould, BCBSMT  
02/14/2005 10:53 PM

1. Page 2, line 4

Following: "as provided in 33-2-101"

Insert: "unless the person: (a) acts with a good faith belief or argument that the transaction is authorized by a subsisting certificate of authority or license issued to the person or insurer; or (b) inadvertently fails to renew a subsisting certificate of authority or license issued to the person or insurer"

2. Page 3, line 18

Following: "transactions"

Strike: "as that are expressly otherwise provided for allowed in"

Insert: "for which a certificate of authority is not required by"

3. Page 3, line 25

Following: line 24

Insert: "(4) Subsection (3) does not apply to: (a) a person or insurer who in acts with a good faith belief or argument that the transaction is authorized by a subsisting certificate of authority or license issued to the person or insurer; or (b) a person or entity that inadvertently fails to renew a subsisting certificate of authority or license issued to the person or insurer."

-END-

Rationale: Amendments 1 and 3 are necessary to assure that good faith disagreements between an authorized insurer and the commissioner regarding the scope of a certificate of authority are not treated as civil or criminal insurance fraud. These amendments are also necessary to assure that inadvertent failure to renew on time an existing certificate or license is not treated as civil or criminal insurance fraud.

Amendment 2 is necessary to clarify the proposed language of 33-2-101(1)(b), which specifies when a certificate or authority is not required.