EXHIBIT 5
DATE 4-5-11
SB 331

April 2, 2011

Chairman Arntzen, and Honorable Members of the Committee:

For the record, my name is William R. Price (Bill) and I am an Independent Insurance Agent and partner at First West Insurance in Bozeman. I am also the current President of the Montana Surplus Lines Agents Association. Our Association represents the main street business men and women, many of whom you know personally, who are duly licensed as Surplus Lines agents in the State of Montana. Many of us also hold non-resident license status in many other states. We are the front line insurance retailer in contact with the consumers you represent across the state of Montana.

SB 331 is brought to you by my friend and former colleague Senator Larry Jent, and the Auditor's Office, in good faith. It is a part of the attempt of the 50 State Commissions, the wholesalers who are the National Association of Professional Surplus Lines Offices, and our state agents associations across the country, to simplify the process of the multi-state policy, non-resident surplus line insurance business. Without question, we are together in our attempt to create uniformity when Surplus Lines Insurance products are multi-state in scope. Each state has control of the Surplus Lines business within that state, and now this is one attempt to close the gaps when multi-state policies apply.

This is a version favored by our State Auditor and the National Association of Insurance Commissioners. They have a valued view point, and the Helena staff had diligently worked with our Montana agents association to explain, clarify and bring you this version.

There are competing versions of how to accomplish the processing of multi-state Surplus Lines insurance issues. The National Council of Insurance Legislators favor another version, and some states are simply going to sit this process out until there is a clearer path that all states can follow.

Is this the wrong path or process, the NAIC model? Is there a right or better model to follow?

I can assure you our Auditor, as our Insurance Commissioner, needs the authority to keep Montana in the hunt for the proper solution. We must get this multi-state Surplus Lines insurance process in order, for the ultimate benefit of our end consumers, your constituents. The only problem I see, is that we have so many states going in so many different directions. Our Commissioner needs the flexibility to comply with the federal NRRA act, in principle, and yet have the flexibility to react to how this process will unfold over the next several years, not locked into a process we do not know will work or not.

It is not an emergency, but at the same time it is critical we are up front in solving this issue with other states in a timely and meaningful fashion. It is my belief you need to authorize the Auditor to flexibly participate in the discussions and planning with her fellow state commissioners, and come back to the legislature when the majority of states have agreed on the proper model and path.

I will be available for questions from the committee, and our State Association Executive, Bob Biskupiak, will be able to direct you to me, if necessary.

Respectfully Submitted,

(Bill)

William R. Price, CIC
First West Insurance
& Montana Association of Surplus Lines Agents