

## HOUSE BILL NO. 432

INTRODUCED BY T. BERRY

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING BANKS AND CREDIT UNIONS TO OFFER DEBT CANCELLATION OR SUSPENSION PROGRAMS IF AUTHORIZED BY THE DEPARTMENT OF ADMINISTRATION; REQUIRING THE DEPARTMENT TO ADOPT RULES GOVERNING DEBT CANCELLATION AND SUSPENSION PROGRAMS; PROVIDING THAT DEBT CANCELLATION AND SUSPENSION PROGRAMS OFFERED BY BANKS AND CREDIT UNIONS ARE NOT INSURANCE PRODUCTS SUBJECT TO THE MONTANA INSURANCE CODE; AND AMENDING ~~SECTION~~ SECTIONS 32-1-429 AND 32-3-609, MCA."

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

**Section 1.** Section 32-1-429, MCA, is amended to read:

**"32-1-429. Insurance activities -- exemption -- rulemaking.** (1) A bank or a bank's subsidiary or affiliate may:

(a) except for title insurance, sell insurance of all types, including annuities, credit life insurance, and disability insurance; and

(b) act as an insurance producer, adjuster, consultant, or administrator as defined in Title 33, chapter 17.

(2) A bank or a bank's subsidiary or affiliate that engages in insurance activities authorized in subsection (1) is subject to the provisions of Title 33.

(3) A bank or bank's subsidiary or affiliate may, upon application to and approval by the department pursuant to 32-1-362, offer debt cancellation and suspension programs. Debt cancellation or suspension programs offered pursuant to this subsection are not insurance products subject to the provisions of Title 33. The department shall adopt rules to implement this subsection that must be substantially equivalent to or more stringent than federal laws, regulations, and regulatory guidelines that are applicable to debt cancellation or suspension programs offered by national banks."

**SECTION 2. SECTION 32-3-609, MCA, IS AMENDED TO READ:**

**"32-3-609. Insurance for members -- debt cancellation and suspension programs. (1)** A credit union

may purchase or make available insurance for its members in amounts related to their respective ages, shares, or loan balances or to any combination of them.

(2) A credit union may, upon application to and approval by the department of administration pursuant to 32-3-206, offer debt cancellation and suspension programs. Debt cancellation or suspension programs offered pursuant to this subsection are not insurance products subject to the provisions of Title 33. The department shall adopt rules to implement this subsection that must be substantially equivalent to or more stringent than federal laws, regulations, and regulatory guidelines that are applicable to debt cancellation or suspension programs offered by federal credit unions."

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