

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING A HEALTH CARE SHARING MINISTRY FROM
5 REGULATION AS AN INSURANCE COMPANY; AMENDING SECTION 33-1-102, MCA; AND PROVIDING AN
6 IMMEDIATE EFFECTIVE DATE."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
10 **Section 1.** Section 33-1-102, MCA, is amended to read:

11 **"33-1-102. (Temporary) Compliance required -- exceptions -- health service corporations -- health**
12 **maintenance organizations -- governmental insurance programs -- service contracts.** (1) A person may not
13 transact a business of insurance in Montana or a business relative to a subject resident, located, or to be
14 performed in Montana without complying with the applicable provisions of this code.

15 (2) The provisions of this code do not apply with respect to:

16 (a) domestic farm mutual insurers as identified in chapter 4, except as stated in chapter 4;

17 (b) domestic benevolent associations as identified in chapter 6, except as stated in chapter 6; ~~and~~

18 (c) fraternal benefit societies, except as stated in chapter 7; and

19 (d) health care sharing ministries as defined in 26 U.S.C. 5000A.

20 (3) This code applies to health service corporations as prescribed in 33-30-102. The existence of the
21 corporations is governed by Title 35, chapter 2, and related sections of the Montana Code Annotated.

22 (4) Except as provided in Title 33, chapter 40, part 1, this code does not apply to health maintenance
23 organizations to the extent that the existence and operations of those organizations are governed by chapter 31.

24 (5) This code does not apply to workers' compensation insurance programs provided for in Title 39,
25 chapter 71, parts 21 and 23, and related sections.

26 (6) The department of public health and human services may limit the amount, scope, and duration of
27 services for programs established under Title 53 that are provided under contract by entities subject to this title.
28 The department of public health and human services may establish more restrictive eligibility requirements and
29 fewer services than may be required by this title.

30 (7) This code does not apply to the state employee group insurance program established in Title 2,

1 chapter 18, part 8, or the Montana university system group benefits plans established in Title 20, chapter 25, part
2 13.

3 (8) This code does not apply to insurance funded through the state self-insurance reserve fund provided
4 for in 2-9-202.

5 (9) (a) Except as otherwise provided in Title 33, chapter 22, this code does not apply to any arrangement,
6 plan, or interlocal agreement between political subdivisions of this state in which the political subdivisions
7 undertake to separately or jointly indemnify one another by way of a pooling, joint retention, deductible, or
8 self-insurance plan.

9 (b) Except as otherwise provided in Title 33, chapter 22, this code does not apply to any arrangement,
10 plan, or interlocal agreement between political subdivisions of this state or any arrangement, plan, or program
11 of a single political subdivision of this state in which the political subdivision provides to its officers, elected
12 officials, or employees disability insurance or life insurance through a self-funded program.

13 (10) (a) This code does not apply to the marketing of, sale of, offering for sale of, issuance of, making
14 of, proposal to make, and administration of a service contract.

15 (b) A "service contract" means a contract or agreement for a separately stated consideration for a
16 specific duration to perform the repair, replacement, or maintenance of property or to indemnify for the repair,
17 replacement, or maintenance of property if an operational or structural failure is due to a defect in materials or
18 manufacturing or to normal wear and tear, with or without an additional provision for incidental payment or
19 indemnity under limited circumstances, including but not limited to towing, rental, and emergency road service.
20 A service contract may provide for the repair, replacement, or maintenance of property for damage resulting from
21 power surges or accidental damage from handling. A service contract does not include motor club service as
22 defined in 61-12-301.

23 (11) (a) Subject to 33-18-201 and 33-18-242, this code does not apply to insurance for ambulance
24 services sold by a county, city, or town or to insurance sold by a third party if the county, city, or town is liable for
25 the financial risk under the contract with the third party as provided in 7-34-103.

26 (b) If the financial risk for ambulance service insurance is with an entity other than the county, city, or
27 town, the entity is subject to the provisions of this code.

28 (12) Except as provided in Title 33, chapter 40, part 1, this code does not apply to the self-insured student
29 health plan established in Title 20, chapter 25, part 14.

30 (13) This code does not apply to private air ambulance services that are in compliance with 50-6-320 and

1 that solicit membership subscriptions, accept membership applications, charge membership fees, and provide
2 air ambulance services to subscription members and designated members of their households.

3 (14) This code does not apply to guaranteed asset protection waivers that are governed by 30-14-151
4 through 30-14-157. (Terminates December 31, 2017--sec. 14, Ch. 363, L. 2013.)

5 **33-1-102. (Effective January 1, 2018) Compliance required -- exceptions -- health service**
6 **corporations -- health maintenance organizations -- governmental insurance programs -- service**
7 **contracts.** (1) A person may not transact a business of insurance in Montana or a business relative to a subject
8 resident, located, or to be performed in Montana without complying with the applicable provisions of this code.

9 (2) The provisions of this code do not apply with respect to:

10 (a) domestic farm mutual insurers as identified in chapter 4, except as stated in chapter 4;

11 (b) domestic benevolent associations as identified in chapter 6, except as stated in chapter 6; ~~and~~

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15 corporations is governed by Title 35, chapter 2, and related sections of the Montana Code Annotated.

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17 operations of those organizations are governed by chapter 31.

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19 chapter 71, parts 21 and 23, and related sections.

20 (6) The department of public health and human services may limit the amount, scope, and duration of
21 services for programs established under Title 53 that are provided under contract by entities subject to this title.
22 The department of public health and human services may establish more restrictive eligibility requirements and
23 fewer services than may be required by this title.

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25 chapter 18, part 8, or the Montana university system group benefits plans established in Title 20, chapter 25, part
26 13.

27 (8) This code does not apply to insurance funded through the state self-insurance reserve fund provided
28 for in 2-9-202.

29 (9) (a) Except as otherwise provided in Title 33, chapter 22, this code does not apply to any arrangement,
30 plan, or interlocal agreement between political subdivisions of this state in which the political subdivisions

1 undertake to separately or jointly indemnify one another by way of a pooling, joint retention, deductible, or
2 self-insurance plan.

3 (b) Except as otherwise provided in Title 33, chapter 22, this code does not apply to any arrangement,
4 plan, or interlocal agreement between political subdivisions of this state or any arrangement, plan, or program
5 of a single political subdivision of this state in which the political subdivision provides to its officers, elected
6 officials, or employees disability insurance or life insurance through a self-funded program.

7 (10) (a) This code does not apply to the marketing of, sale of, offering for sale of, issuance of, making
8 of, proposal to make, and administration of a service contract.

9 (b) A "service contract" means a contract or agreement for a separately stated consideration for a
10 specific duration to perform the repair, replacement, or maintenance of property or to indemnify for the repair,
11 replacement, or maintenance of property if an operational or structural failure is due to a defect in materials or
12 manufacturing or to normal wear and tear, with or without an additional provision for incidental payment or
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19 the financial risk under the contract with the third party as provided in 7-34-103.

20 (b) If the financial risk for ambulance service insurance is with an entity other than the county, city, or
21 town, the entity is subject to the provisions of this code.

22 (12) This code does not apply to the self-insured student health plan established in Title 20, chapter 25,
23 part 14.

24 (13) This code does not apply to private air ambulance services that are in compliance with 50-6-320 and
25 that solicit membership subscriptions, accept membership applications, charge membership fees, and provide
26 air ambulance services to subscription members and designated members of their households.

27 (14) This code does not apply to guaranteed asset protection waivers that are governed by 30-14-151
28 through 30-14-157."

29

30 **NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

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