

Insurance Housekeeping

HB 103 · Section-by-Section Summary

Section 1

Eliminates provision relating to pre-tax funding of individual employee coverage for consistency with other applicable law.

Sections 2 and 3

Statutory changes to phase out the Montana Comprehensive Health Association. MCHA was taxpayer subsidized coverage for Montanans who either had or had survived a disease like cancer that made it impossible to buy insurance on the open market. Insurance companies no longer deny coverage or charge more for coverage based on health status. As a consequence, the need for MCHA and its tax supported budget no longer exists.

Section 4

Removes dated requirement that issuers of securities have to submit a paper document for securities registration. This amendment is a result of a Legislative Audit.

Section 5

Clarifies that confidentiality agreements with other governmental entities need not be in writing. This is already permitted under another MCA section, and this amendment is for consistency purposes.

Section 6

Makes Insurance Code hearing timeframes consistent with the Montana Administrative Procedure Act.

Section 7

Removes an inaccurate reference to a fee that is not in 33-2-708.

Section 8

Removes an inaccurate reference to 33-17-212(2), a statute that does not actually relate to this section.

Section 9

Subjects fraternal insurers to Montana's risk based capital laws, which regulate insurer solvency. There are no fraternal insurers currently in Montana, so there is no immediate impact. This amendment is also an NAIC accreditation requirement. Additionally, health service corporations are already subject to the risk based capital laws; this amendment clarifies that fact for purposes of consistency with other Insurance Code sections.

Section 10

Minor change to insurer risk based capital requirements for NAIC accreditation purposes.

Section 11

Farm mutual insurers may already voluntarily dissolve; this section provides a framework for their dissolution.

Section 12

Subjects fraternal insurers to risk based capital laws. There are none currently in Montana, so there is no immediate impact. This is also an NAIC accreditation requirement.

Section 13

Provides coverage of excess worker's compensation claims by the Montana Insurance Guaranty Association to be consistent with the treatment of traditional workers' compensation claims.

Section 14

Language cleanup of incorrect terminology relating to insurance producer licensing.

Section 15

Adds specificity as to the interest rate which must be paid for certain life insurance settlements.

Section 16

Language cleanup to consistently refer to an insurer as "insurer" throughout this portion of the Insurance Code.

Section 17

The minimum mammography requirement contained in this section is not intended to be applied to cancer policies, so the reference to cancer coverage is deleted.

Section 18

The telemedicine services requirement contained in this section is not intended to be applied to specified disease policies, so specified disease coverage is being added as an exempt policy type.

Sections 19 - 26

MCHA cleanup.

Section 27

Eliminates provision relating to pre-tax funding of individual employee coverage for consistency with other applicable law.

Contact CSI

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Sections 28 - 31

Changes “license” to “certificate of authority” with regard to health service corporations. Nearly all other insurers receive certificates of authority, while health service corporations receive a license; the two are substantively equivalent. This change makes references to health service corporations consistent with other similar references in the Insurance Code.

Section 32

Allows MEWAs (multiple employer welfare arrangement) to file reports using generally accepted accounting principles.

Section 33

MCHA cleanup.

Section 34

MCHA cleanup.

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