

HOUSE BILL NO. 168
INTRODUCED BY J. COHENOUR
BY REQUEST OF THE STATE COMPENSATION INSURANCE FUND

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE ENTITIES FOR WHICH THE STATE COMPENSATION INSURANCE FUND IS NOT REQUIRED TO PROVIDE WORKERS' COMPENSATION AND OCCUPATIONAL DISEASE COVERAGE; AMENDING SECTION 39-71-2313, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 39-71-2313, MCA, is amended to read:

"39-71-2313. State compensation insurance fund created -- obligation to insure -- exception. (1)

There is a state compensation insurance fund known as the state fund that is a nonprofit, independent public corporation established for the purpose of allowing an option for employers to insure their liability for workers' compensation and occupational disease coverage under this chapter.

(2) (a) The state fund is required to insure any employer in this state who requests coverage, and it may not refuse to provide coverage unless an employer or the employer's principals have defaulted on a state fund obligation and the default remains unsatisfied.

(b) For purposes of subsection (2)(a), the state fund is not obligated to insure the employer or the employer's principals that have defaulted on a state fund obligation. In addition, the state fund is not obligated to insure any defaulting sole proprietorship, partnership, corporation, or limited liability company, including:

(i) each partner of a partnership;

(ii) each shareholder of a corporation who owns 20% or more of the number of shares of stock in the corporation; and

(iii) each member of a limited liability company who owns 20% or more of the limited liability company."

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

- END -

