

SENATE BILL NO. 357

INTRODUCED BY T. FACEY

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATING TO PREPAID LEGAL INSURANCE;
5 PROVIDING A SEPARATE LICENSE EXAM FOR PREPAID LEGAL INSURANCE; PROVIDING THAT LICENSE
6 EXAMS COVER ONLY THE KINDS OF INSURANCE FOR WHICH THE APPLICANT APPLIES TO BE
7 LICENSED; REVISING CONTINUING EDUCATION REQUIREMENTS FOR INDIVIDUALS LICENSED SOLELY
8 TO SELL PREPAID LEGAL INSURANCE; AND AMENDING SECTIONS 33-17-212 AND 33-17-1203, MCA."

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

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12 **Section 1.** Section 33-17-212, MCA, is amended to read:

13 **"33-17-212. Examination required -- exceptions -- fees.** (1) Except as provided in subsection (6), an
14 individual applying for a license is required to pass a written examination. The examination must test the
15 knowledge of the individual concerning each kind of insurance listed in subsection (5) for which application is
16 made, the duties and responsibilities of an insurance producer, and the insurance laws and rules of this state.
17 The examination must be developed and conducted under rules adopted by the commissioner.

18 (2) (a) The commissioner may conduct the examination or make arrangements, including contracting
19 with an outside testing service, for administering the examination. The commissioner may arrange for the testing
20 service to recover the cost of the examination from the applicant.

21 (b) The commissioner may not charge a fee for an applicant taking an examination pertaining to prepaid
22 legal insurance. However, the commissioner may contract with an outside testing service for administering the
23 examination, and the commissioner may arrange for the testing service to recover the cost of the examination
24 from the applicant.

25 (3) An individual who fails to appear for the examination as scheduled or fails to pass the examination
26 may reapply for an examination and shall remit all forms before being rescheduled for another examination.

27 (4) Except as provided in subsection (6), if the applicant is a business entity, each individual who is to
28 be named in the license as having authority to act for the applicant in its insurance transactions under the license
29 must meet the qualifications provided for in this section.

30 (5) Examination of an applicant for a license must cover ~~all of~~ only the kinds of insurance for which the

1 applicant has applied to be licensed, as constituted by any one or more of the following classifications:

2 (a) life insurance;

3 (b) disability insurance;

4 (c) property insurance, which for the purposes of this provision includes marine insurance;

5 (d) casualty insurance;

6 (e) surety insurance;

7 (f) limited lines credit insurance;

8 (g) title insurance;

9 (h) prepaid legal insurance as provided for in 33-1-215.

10 (6) This section does not apply to and an examination is not required of:

11 (a) an individual lawfully licensed as an insurance producer as to the kind or kinds of insurance to be
12 transacted as of or immediately prior to January 1, 1961, and who continues to be licensed;

13 (b) an applicant for a license covering the same kind or kinds of insurance as to which the applicant was
14 licensed in this state, other than under a temporary license, within the 12 months immediately preceding the date
15 of application unless the commissioner has suspended, revoked, or terminated the previous license;

16 (c) an applicant for a license as a nonresident insurance producer;

17 (d) transportation ticket agents of common carriers applying for a license to solicit and sell only:

18 (i) accident insurance ticket policies; or

19 (ii) insurance of personal effects while being carried as baggage on a common carrier, as incidental to
20 their duties as transportation ticket agents; ~~or~~

21 (e) an association applying for a license under 33-17-211; OR

22 (F) A CASUALTY INSURANCE PRODUCER, FOR THE PURPOSES OF A SEPARATE EXAM FOR PREPAID LEGAL
23 INSURANCE, IF THE CASUALTY INSURANCE PRODUCER SELLS PREPAID LEGAL INSURANCE AS OF [THE EFFECTIVE DATE OF
24 THIS ACT] AND CONTINUES TO MAINTAIN A LICENSE IN GOOD STANDING AS A CASUALTY INSURANCE PRODUCER.

25 (7) (a) Subject to the provisions of subsection (7)(b), an individual who applies for a nonresident
26 insurance producer license in this state and who was previously licensed for the same lines of authority in another
27 state may not be required to complete any prelicensing education or examination.

28 (b) The exemption in subsection (7)(a) is available only if the individual is currently licensed in the other
29 state or the individual's application is received within 90 days of the cancellation of the individual's previous
30 license and if the other state issues a certification that, at the time of the cancellation, the individual was in good

1 standing in that state or the state's database records, maintained by the national association of insurance
2 commissioners or any of the association's affiliates or subsidiaries that the association oversees, indicate that
3 the insurance producer is or was licensed in good standing for the lines of authority requested."
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5 **Section 2.** Section 33-17-1203, MCA, is amended to read:

6 **"33-17-1203. Continuing education -- basic requirements -- exceptions.** (1) Unless exempt under
7 subsection (3):

8 (a) an individual licensed to act as an insurance producer, adjuster, or consultant other than an individual
9 licensed only for surety bail bonds or for limited lines credit insurance shall, during each 24-month period,
10 complete at least 24 credit hours of approved continuing education, including at least 3 hours of ethics credits
11 and at least 1 credit hour on changes in Montana insurance statutes and administrative rules;

12 (b) an individual licensed to act as an insurance producer only for surety bail bonds, prepaid legal
13 insurance, or for limited lines credit insurance shall, during each biennium, complete 5 credit hours of approved
14 continuing education, including at least 1 credit hour on changes in Montana insurance statutes and
15 administrative rules and the remaining credit hours in the areas of insurance law, ethics, or topics specific to
16 surety bail bonds, prepaid legal insurance, or limited lines credit insurance.

17 (2) The commissioner may, for good cause, grant an extension of time, not to exceed 1 year, during
18 which the requirements imposed by subsection (1) may be completed.

19 (3) The minimum continuing education requirements do not apply to:

20 (a) an individual holding a temporary license issued under 33-17-216; or

21 (b) an insurance producer, adjuster, or consultant otherwise exempted by the commissioner."
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