

SENATE BILL NO. 340

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12
 13 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING FOR THE PROVISION OF HEALTH OR DISABILITY
 14 INSURANCE BY OUT-OF-STATE INSURERS; PROVIDING A STREAMLINED PROCESS FOR OUT-OF-STATE
 15 HEALTH INSURERS TO ISSUE POLICIES IN MONTANA; REQUIRING PAYMENT OF PREMIUM TAXES;
 16 REQUIRING SPECIFIC NOTICE IN APPLICATIONS AND IN POLICIES; GIVING DOMESTIC INSURERS AN
 17 OPTION TO MATCH LIMITED-MANDATE POLICIES OF FOREIGN INSURERS SOLD IN MONTANA;
 18 PROVIDING FOR REVOCATION OF REGISTRATION OR OTHER PENALTIES; PROVIDING RULEMAKING
 19 AUTHORITY TO THE INSURANCE COMMISSIONER; AMENDING SECTIONS 33-1-102, 33-1-201, 33-2-705,
 20 33-2-708, AND 33-2-710, MCA; AND PROVIDING AN EFFECTIVE DATE."

21
 22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

23
 24 NEW SECTION. **Section 1. Legislative findings.** The legislature finds and declares that:
 25 (1) although many Montanans have access to first-rate health care, the affordability of health coverage
 26 is problematic without competitive health care policies;
 27 (2) by removing barriers that limit access to affordable health care coverage and expanding opportunities
 28 for Montanans to purchase more affordable coverage, the state can improve access to health care and rein in
 29 rising health care costs while preserving the first-rate care that so many Montanans enjoy; and
 30 (3) providing Montanans with more choices for selecting a health insurance product will allow individuals

1 and families a greater range of products and increase their ability to purchase affordable health care coverage
 2 and, with coverage, increase their access to health care.

3
 4 **NEW SECTION. Section 2. Out-of-state health or disability insurance policy offers -- injunctions**
 5 **-- waiver for domestic insurers -- reporting requirements -- definitions.** (1) Subject to the provisions of
 6 [sections 1 through 6], a foreign insurer that has a certificate of authority in another state to issue health or
 7 disability insurance policies may issue those health or disability insurance policies in this state after providing
 8 evidence to the commissioner as provided in subsection (2).

9 (2) For the provisions of [sections 1 through 6] to apply and before issuing a health or disability insurance
 10 policy in this state, a foreign insurer shall:

11 (a) provide evidence to the commissioner that for the purposes of providing health or disability insurance
 12 the foreign insurer has a certificate of authority in another state and is subject to the jurisdiction of that state's
 13 insurance regulator;

14 (b) specify the amount of financial reserves required under the foreign insurer's certificate of authority
 15 in the jurisdictional state and submit a current copy of the foreign insurer's financial reserves;

16 (c) provide evidence that the health or disability insurance coverage issued under [sections 1 through
 17 6] meets the benefit requirements of the policies issued in the jurisdictional state. A policy offered by a foreign
 18 insurer under [sections 1 through 6] is subject only to the benefit requirements of the jurisdictional state.

19 (d) register with the commissioner on an application in a form prescribed by the commissioner and pay
 20 a fee set by the commissioner by rule. For the purposes of multistate plans authorized by the office of personnel
 21 management under 42 U.S.C. 18054, registration as provided in this subsection (2)(d) is equivalent to licensure.
 22 A multistate plan authorized under 42 U.S.C. 18054 is considered to meet the standards and requirements in this
 23 state if the multistate plan meets the standards and requirements under 42 U.S.C. 18054 in the jurisdictional
 24 state.

25 (3) The commissioner may issue a cease and desist order to prevent a foreign insurer from providing
 26 health or disability insurance coverage in this state and shall provide an opportunity for a hearing under Title 33,
 27 chapter 1, part 7, if any of the following occurs:

28 (a) the reserves listed in the financial information provided under subsection (2)(b) or (5) are less than
 29 the amount required by the jurisdictional state;

30 (b) the foreign insurer fails to pay the fee or timely meet the obligations provided in 33-2-705; or

1 (c) the commissioner finds the foreign insurer has violated the provisions in Title 33, chapter 18 or 19,
2 as specified in [section 3(3)].

3 (4) (a) If a foreign insurer issues a policy in this state that does not include a health benefit mandated
4 under Title 33, chapter 22, any insurer that has a certificate of authority issued by the commissioner to issue a
5 policy in this state is not required to include that mandated health benefit but shall provide notice as required in
6 subsection (4)(b).

7 (b) If an insurer with a certificate of authority in this state decides not to include a health benefit
8 mandated in this state because subsection (4)(a) applies, the insurer shall include the following notice printed
9 in at least 12-point bold type at the beginning of the policy:

10 "NOTICE

11 The benefits of this (policy, contract, plan, coverage, or evidence of coverage) issued by (name of insurer)
12 may provide you affordable health or disability insurance, but the policy also may provide fewer benefits than a
13 policy subject to all of the insurance laws of the State of Montana, including coverage of services or benefits
14 mandated by law in Montana. Please consult your insurance agent to determine which benefits mandated in this
15 state are excluded under this policy."

16 (5) A foreign insurer that issues a health or disability insurance policy under [sections 1 through 6] is
17 subject to 33-2-705, and the report required under 33-2-705 must include information on the foreign insurer's
18 financial reserves for each calendar year in which the foreign insurer issued a policy in this state. The information
19 must be filed as provided in 33-2-705 and must include financial information for the year preceding December
20 31 for transactions in this state. A foreign insurer that does not file information as provided in 33-2-705 is subject
21 to the penalties provided in 33-2-705 and to a fine not to exceed the sum of \$25,000 if, after a hearing conducted
22 pursuant to 33-1-701, the commissioner finds that the foreign insurer intentionally did not file as provided in
23 33-2-705.

24 (6) A foreign insurer shall notify the department if the foreign insurer has been subject to any company
25 action level event similar to a company action level event defined in 33-2-1904 in any state where the foreign
26 insurer has a certificate of authority.

27 (7) A resident in this state may not be prohibited from purchasing a policy from a foreign insurer under
28 [sections 1 through 6].

29 (8) For the purposes of [sections 1 through 6], the following definitions apply:

30 (a) "Foreign insurer" has the meaning provided in 33-1-201 and for the purposes of [sections 1 through

1 6] means a foreign insurer that has a certificate of authority from the jurisdictional state to issue health or disability
 2 insurance. The term includes an insurer that offers a multistate plan as provided in 42 U.S.C. 18054. A foreign
 3 insurer under [sections 1 through 6] may not be an alien insurer.

4 (b) "Health or disability insurance" means an individual policy offered by a foreign insurer under [sections
 5 1 through 6] that covers the costs of treatment for bodily injuries, health wellness, or sickness.

6 (c) "Jurisdictional state" means the state in which the foreign insurer is domiciled.

7 (d) "Policy" means an individual policy, contract, plan, coverage, or evidence of coverage.

8

9 **NEW SECTION. Section 3. Revocation of foreign insurer's registration.** The commissioner may
 10 revoke a foreign insurer's registration for the purposes of [sections 1 through 6] if, after issuing a cease and desist
 11 order and providing an opportunity for a hearing under Title 33, chapter 1, part 7, the commissioner determines
 12 that any of the following have occurred:

13 (1) the foreign insurer's financial reserves are less than the amount required by the jurisdictional state;

14 (2) the commissioner establishes that any state that has issued a certificate of authority to the foreign
 15 insurer has identified and repeatedly enforced penalties on the insurer for violations related to claim denials,
 16 prompt payment, poor customer service, deceptive marketing practices, or fraudulent activities;

17 (3) the foreign insurer failed to comply with any of the following provisions of Title 33:

18 (a) 33-2-705;

19 (b) unfair trade practices under Title 33, chapter 18, except for 33-18-103, 33-18-207, 33-18-210,
 20 33-18-221 through 33-18-225, 33-18-245, chapter 18, part 3, of this title, or 33-18-502; or

21 (c) insurance information practices and privacy protection under Title 33, chapter 19; or

22 (4) the foreign insurer has been subject to a company action level event, as defined in 33-2-1904, in any
 23 state in which the foreign insurer has a certificate of authority.

24

25 **NEW SECTION. Section 4. Policy notice requirements.** (1) The following notice must be printed in
 26 at least 12-point bold type at the beginning of an application to obtain a foreign insurer's health or disability
 27 insurance policy issued under [sections 1 through 6]:

28 "NOTICE

29 This (policy, contract, plan, coverage, or evidence of coverage) is issued by (name of insurer) and is
 30 governed by the laws and rules of the state of (the jurisdictional state that issued the foreign insurer's certificate

1 of authority). This policy is not subject to all of the insurance laws of the State of Montana, including coverage
 2 of services or benefits mandated by law in Montana. As with all insurance products, before purchasing this policy,
 3 you should carefully review the policy and determine what the policy covers in terms of health care services and
 4 what benefits are provided as well as what the policy determines to be exclusions, limitations, or conditions for
 5 covered services or provided benefits. For information concerning health or disability insurance under this policy,
 6 please consult your insurance agent or the state department of insurance."

7 (2) Each policy written by a foreign insurer under [sections 1 through 6] for a policyholder in this state
 8 must contain the following notice printed in at least 12-point bold type at the beginning of the policy:

9 "NOTICE

10 The benefits of this (policy, contract, plan, coverage, or evidence of coverage) issued by (name of insurer)
 11 are governed primarily by the laws and rules of the state of (the jurisdictional state that issued the foreign insurer's
 12 certificate of authority). While the health or disability insurance in this policy may provide you affordable health
 13 or disability insurance, the policy also may provide fewer benefits than a policy subject to all of the insurance laws
 14 of the State of Montana, including coverage of services or benefits mandated by law in Montana. Please consult
 15 your insurance agent to determine which benefits mandated in this state are excluded under this policy."

16
 17 **NEW SECTION. Section 5. Court jurisdiction.** A court of this state may exercise jurisdiction over a
 18 foreign insurer that issues a policy in this state under [sections 1 through 6] with respect to the policy that is
 19 issued.

20
 21 **NEW SECTION. Section 6. Commissioner's authority -- rulemaking.** (1) (a) The commissioner has
 22 the authority to investigate complaints filed by a resident of this state against a foreign insurer selling policies
 23 under [sections 1 through 6].

24 (b) If, after a hearing conducted pursuant to 33-1-701, the commissioner determines that the foreign
 25 insurer violated [sections 1 through 6] or other statutes to which the foreign insurer is subject as provided in
 26 33-1-102(15)(b), the commissioner may impose penalties as provided in 33-1-317.

27 (2) The commissioner may adopt other rules as necessary to implement [sections 1 through 6].

28
 29 **Section 7.** Section 33-1-102, MCA, is amended to read:

30 **"33-1-102. (Temporary) Compliance required -- exceptions -- health service corporations -- health**

1 **maintenance organizations -- governmental insurance programs -- service contracts.** (1) A person may not
2 transact a business of insurance in Montana or a business relative to a subject resident, located, or to be
3 performed in Montana without complying with the applicable provisions of this code.

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

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

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

7 (c) fraternal benefit societies, except as stated in chapter 7.

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

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

12 (5) This code does not apply to workers' compensation insurance programs provided for in Title 39,
13 chapter 71, part 21, and related sections.

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

18 (7) This code does not apply to the state employee group insurance program established in Title 2,
19 chapter 18, part 8, or the Montana university system group benefits plans established in Title 20, chapter 25, part
20 13.

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

23 (9) (a) Except as otherwise provided in Title 33, chapters 22 and 28, this code does not apply to any
24 arrangement, plan, or interlocal agreement between political subdivisions of this state in which the political
25 subdivisions undertake to separately or jointly indemnify one another by way of a pooling, joint retention,
26 deductible, or self-insurance plan.

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

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

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

11 (11) (a) Subject to 33-18-201 and 33-18-242, this code does not apply to insurance for ambulance
12 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
13 the financial risk under the contract with the third party as provided in 7-34-103.

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

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

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

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

23 (15) (a) Except as provided in subsection (15)(b), a foreign insurer issuing policies in this state as
24 provided in [sections 1 through 6] is not subject to this code.

25 (b) The following provisions of this code apply to [sections 1 through 6] to the extent that the provisions
26 are related to the commissioner's authority under [sections 1 through 6]:

27 (i) 33-1-201, 33-1-202, 33-1-314 through 33-1-318, and chapter 1, parts 6, 7, and 12;

28 (ii) 33-2-104, 33-2-105, 33-2-501 through 33-2-503, 33-2-511, 33-2-705, 33-2-707, 33-2-708, and
29 33-2-710;

30 (iii) chapter 18 except as provided in [section 3];

1 (iv) chapter 19; and

2 (v) chapter 32. (Terminates December 31, 2017--sec. 14, Ch. 363, L. 2013.)

3 **33-1-102. (Effective January 1, 2018) Compliance required -- exceptions -- health service**
4 **corporations -- health maintenance organizations -- governmental insurance programs -- service**
5 **contracts.** (1) A person may not transact a business of insurance in Montana or a business relative to a subject
6 resident, located, or to be performed in Montana without complying with the applicable provisions of this code.

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

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

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

10 (c) fraternal benefit societies, except as stated in chapter 7.

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

13 (4) This code does not apply to health maintenance organizations to the extent that the existence and
14 operations of those organizations are governed by chapter 31.

15 (5) This code does not apply to workers' compensation insurance programs provided for in Title 39,
16 chapter 71, part 21, and related sections.

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

21 (7) This code does not apply to the state employee group insurance program established in Title 2,
22 chapter 18, part 8, or the Montana university system group benefits plans established in Title 20, chapter 25, part
23 13.

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

26 (9) (a) Except as otherwise provided in Title 33, chapters 22 and 28, this code does not apply to any
27 arrangement, plan, or interlocal agreement between political subdivisions of this state in which the political
28 subdivisions undertake to separately or jointly indemnify one another by way of a pooling, joint retention,
29 deductible, or self-insurance plan.

30 (b) Except as otherwise provided in Title 33, chapter 22, this code does not apply to any arrangement,

1 plan, or interlocal agreement between political subdivisions of this state or any arrangement, plan, or program
2 of a single political subdivision of this state in which the political subdivision provides to its officers, elected
3 officials, or employees disability insurance or life insurance through a self-funded program.

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

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

14 (11) (a) Subject to 33-18-201 and 33-18-242, this code does not apply to insurance for ambulance
15 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
16 the financial risk under the contract with the third party as provided in 7-34-103.

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

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

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

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

26 (15) (a) Except as provided in subsection (15)(b), a foreign insurer issuing policies in this state as
27 provided in [sections 1 through 6] is not subject to this code.

28 (b) The following provisions of this code apply to [sections 1 through 6] to the extent that the provisions
29 are related to the commissioner's authority under [sections 1 through 6]:

30 (i) 33-1-201, 33-1-202, 33-1-314 through 33-1-318, and chapter 1, parts 6, 7, and 12;

1 (ii) 33-2-104, 33-2-105, 33-2-501 through 33-2-503, 33-2-511, 33-2-705, 33-2-707, 33-2-708, and
 2 33-2-710;

3 (iii) chapter 18 except as provided in [section 3];

4 (iv) chapter 19; and

5 (v) chapter 32."

6

7 **Section 8.** Section 33-1-201, MCA, is amended to read:

8 **"33-1-201. Definitions -- insurance in general.** For the purposes of this code, the following definitions
 9 apply unless the context requires otherwise:

10 (1) "Alien insurer" is an insurer formed under the laws of any country other than the United States or its
 11 states, districts, territories, and commonwealths.

12 (2) "Authorized insurer" is an insurer:

13 (a) duly authorized by a certificate of authority issued by the commissioner to transact insurance in this
 14 state; or

15 (b) registered as provided in [section 2] to provide health or disability insurance in this state.

16 (3) "Domestic insurer" is an insurer incorporated under the laws of this state.

17 (4) "Foreign insurer" is an insurer formed under the laws of any jurisdiction other than this state. Except
 18 when distinguished by context and as provided in [sections 1 through 6], the term includes an alien insurer.

19 (5) (a) "Insurance" is a contract through which one undertakes to indemnify another or pay or provide
 20 a specified or determinable amount or benefit upon determinable contingencies.

21 (b) Insurance does not include contracts for the installation, maintenance, and provision of inside
 22 telecommunications wiring to residential or business premises.

23 (6) "Insurer" includes every person engaged as indemnitor, surety, or contractor in the business of
 24 entering into contracts of insurance. The term also includes a health service corporation in the provisions listed
 25 in 33-30-102.

26 (7) "Resident domestic insurer" is an insurer incorporated under the laws of this state and:

27 (a) if a mutual company, not less than one-half of the policyholders are individuals who are residents of
 28 this state; or

29 (b) if a stock insurer, not less than one-half of the shares are owned by individuals who are residents
 30 of this state and all of the directors and officers of the insurer are residents of this state.

1 (8) "State", when used in relation to jurisdiction, means a state, the District of Columbia, or a territory,
2 commonwealth, or possession of the United States.

3 (9) "Transact", with respect to insurance, means to:

4 (a) solicit;

5 (b) negotiate;

6 (c) sell or effectuate a contract of insurance; or

7 (d) transact matters subsequent to effectuation of the contract of insurance and arising out of it.

8 (10) "Unauthorized insurer" is an insurer not authorized by a certificate of authority issued by the
9 commissioner to transact insurance in this state."
10

11 **Section 9.** Section 33-2-705, MCA, is amended to read:

12 **"33-2-705. Report on premiums and other consideration -- tax.** (1) (a) Each authorized insurer,
13 including each foreign insurer that issues policies in this state as provided in [sections 1 through 6], and each
14 formerly authorized insurer with respect to premiums received while an authorized insurer in this state shall file
15 with the commissioner, on or before March 1 each year, a report in a form prescribed by the commissioner
16 showing. The report must show the total direct premium income, including policy, membership, and other fees,
17 premiums paid by application of dividends, refunds, savings, savings coupons, and similar returns or credits to
18 payment of premiums for new or additional or extended or renewed insurance, charges for payment of premium
19 in installments, and all other consideration for insurance from all kinds and classes of insurance, whether
20 designated as a premium or otherwise, received by a life insurer or written by an insurer other than a life insurer
21 during the preceding calendar year on account of policies covering property, subjects, or risks located, resident,
22 or to be performed in Montana, with proper proportionate allocation of premium as to property, subjects, or risks
23 in Montana insured under policies or contracts covering property, subjects, or risks located or resident in more
24 than one state, ~~after deducting from,~~

25 (b) Except as provided in subsection (1)(c), the amount shown in subsection (1)(a) must include
26 deductions from the total direct premium income of all applicable cancellations, returned premiums, the
27 unabsorbed portion of any deposit premium, the amount of reduction in or refund of premiums allowed to
28 industrial life policyholders for payment of premiums direct to an office of the insurer, all policy dividends, refunds,
29 savings, savings coupons, and other similar returns paid or credited to policyholders with respect to the policies.
30 As to title insurance, "premium" includes the total charge for the insurance.

1 (c) (i) A deduction may not be made of the cash surrender values of policies or contracts.

2 (ii) Considerations received on annuity contracts may not be included in total direct premium income and
3 are not subject to tax.

4 (2) (a) Except as provided in subsection (2)(b), coincident with the filing of the tax report referred to in
5 subsection (1) and subject to 33-2-709, each insurer shall pay to the commissioner a tax on the net premiums
6 computed at the rate of 2.75%.

7 (b) All casualty insurers issuing policies of legal professional liability insurance pursuant to 33-1-206 shall
8 pay to the commissioner a tax on the net premiums derived from legal professional liability insurance computed
9 at a rate of 0.75%.

10 (3) That portion of the tax paid under this section by an insurer on account of premiums received for fire
11 insurance must be separately specified in the report required by the commissioner for apportionment as provided
12 by law. When insurance against fire is included with insurance of property against other perils at an undivided
13 premium, the insurer shall make a reasonable allocation from the entire premium to the fire portion of the
14 coverage as must be stated in the report and as may be approved or accepted by the commissioner.

15 (4) With respect to authorized insurers, the premium tax provided by this section must be payment in
16 full and in lieu of all other demands for any and all state, county, city, district, municipal, and school taxes,
17 licenses, fees, and excises of whatever kind or character, excepting only those prescribed by this code, taxes
18 on real and tangible personal property located in this state, and taxes payable under 50-3-109.

19 (5) The commissioner may suspend or revoke the certificate of authority of any insurer or foreign insurer
20 registered under [section 2] that fails to pay its taxes as required under this section.

21 (6) In addition to the penalty provided for in subsection (5), the commissioner may impose on an insurer
22 who fails to pay the tax required under this section a fine of \$100 plus interest on the delinquent amount at the
23 annual interest rate of 12%.

24 (7) The commissioner may by rule provide a quarterly schedule for payment of portions of the premium
25 tax under this section during the year in which tax liability is accrued."
26

27 **Section 10.** Section 33-2-708, MCA, is amended to read:

28 "**33-2-708. Fees and licenses.** (1) (a) Except as provided in subsection (5), the commissioner shall
29 collect a fee of \$1,900 from each insurer applying for or annually renewing a certificate of authority to conduct
30 the business of insurance in Montana and from a foreign insurer selling insurance across state lines as provided

1 in [sections 1 through 6].

2 (b) The commissioner shall collect certain additional fees as follows:

3 (i) for a nonresident insurance producer's license:

4 (A) application for original license, including issuance of license, if issued, \$100;

5 (B) biennial renewal of license, \$50;

6 (C) lapsed license reinstatement fee, \$100;

7 (ii) for a resident insurance producer's license lapsed license reinstatement fee, \$100;

8 (iii) for a surplus lines insurance producer's license:

9 (A) application for original license and for issuance of license, if issued, \$50;

10 (B) biennial renewal of license, \$100;

11 (C) lapsed license reinstatement fee, \$200;

12 (iv) for an insurance adjuster's license:

13 (A) application for original license, including issuance of license, if issued, \$50;

14 (B) biennial renewal of license, \$100;

15 (C) lapsed license reinstatement fee, \$200;

16 (v) for an insurance consultant's license:

17 (A) application for original license, including issuance of license, if issued, \$50;

18 (B) biennial renewal of license, \$100;

19 (C) lapsed license reinstatement fee, \$200;

20 (vi) for a viatical settlement broker's license:

21 (A) application for original license, including issuance of license, if issued, \$50;

22 (B) biennial renewal of license, \$100;

23 (C) lapsed license reinstatement fee, \$200;

24 (vii) for a resident and nonresident rental car entity producer's license:

25 (A) application for original license, including issuance of license, if issued, \$100;

26 (B) quarterly filing fee, \$25;

27 (viii) for an original notification fee for a life insurance producer acting as a viatical settlement broker, in
28 accordance with 33-20-1303(2)(b), \$50;

29 (ix) for navigator certification:

30 (A) application for original certification, including issuance of certificate if issued, \$100;

- 1 (B) biennial renewal of certification, \$50;
- 2 (C) lapsed certification reinstatement fee, \$100;
- 3 (x) for a foreign insurer subject to [sections 1 through 6]:
- 4 ~~— (A) biennial renewal of registration, \$50;~~
- 5 ~~— (B) lapsed registration reinstatement fee, \$100;~~
- 6 (xi) 50 cents for each page for copies of documents on file in the commissioner's office.
- 7 (c) The commissioner may adopt rules to determine the date by which a nonresident insurance producer,
- 8 a surplus lines insurance producer, an insurance adjuster, an insurance public adjuster, ~~or~~ an insurance
- 9 consultant, or a foreign insurer subject to [sections 1 through 6] is required to pay the fee for the biennial renewal
- 10 of a license.
- 11 (2) (a) The commissioner shall charge a fee of \$75 for each course or program submitted for review as
- 12 required by 33-17-1204 and 33-17-1205, but may not charge more than \$1,500 to a sponsoring organization
- 13 submitting courses or programs for review in any biennium.
- 14 (b) Insurers and associations composed of members of the insurance industry are exempt from the
- 15 charge in subsection (2)(a).
- 16 (3) (a) Except as provided in subsection (3)(b), the commissioner shall promptly deposit with the state
- 17 treasurer to the credit of the general fund all fines and penalties and those amounts received pursuant to
- 18 33-2-311, 33-2-705, 33-28-201, and 50-3-109.
- 19 (b) The commissioner shall deposit 33% of the money collected under 33-2-705 in the special revenue
- 20 account provided for in 53-4-1115.
- 21 (c) All other fees collected by the commissioner pursuant to Title 33 and the rules adopted under Title
- 22 33 must be deposited in the state special revenue fund to the credit of the state auditor's office.
- 23 (4) All fees are considered fully earned when received. In the event of overpayment, only those amounts
- 24 in excess of \$10 will be refunded.
- 25 (5) The commissioner shall collect a licensing fee of \$500 for casualty insurance companies issuing
- 26 policies of legal professional liability insurance pursuant to 33-1-206."
- 27

28 **Section 11.** Section 33-2-710, MCA, is amended to read:

29 **"33-2-710. Premium tax imposed on policy issued through nonresident licensee.** Any insurer,
30 including a foreign insurer issuing policies in this state as provided in [sections 1 through 6], who issues a policy

1 on a subject or risk located or to be performed in Montana through a nonresident licensee shall pay a premium
2 tax on ~~such~~ the policy to the state of Montana, in an amount and in the manner provided in 33-2-705."

3
4 NEW SECTION. Section 12. Codification instruction. [Sections 1 through 6] are intended to be
5 codified as an integral part of Title 33, chapter 1, part 1, and the provisions of Title 33, chapter 1, part 1, apply
6 to [sections 1 through 6].

7
8 NEW SECTION. Section 13. Severability. If a part of [this act] is invalid, all valid parts that are
9 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
10 the part remains in effect in all valid applications that are severable from the invalid applications.

11
12 NEW SECTION. Section 14. Effective date. [This act] is effective July 1, 2017.

13 - END -