

HOUSE BILL NO. 74

INTRODUCED BY J. GILLETTE

BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT REPEALING THE MEDICAL MALPRACTICE INSURANCE JOINT UNDERWRITING ASSOCIATION; AMENDING SECTION 33-11-105, MCA; REPEALING SECTIONS 33-23-501, 33-23-502, 33-23-503, 33-23-507, 33-23-508, 33-23-509, 33-23-510, 33-23-511, 33-23-512, 33-23-513, 33-23-514, 33-23-515, 33-23-519, 33-23-520, 33-23-521, 33-23-522, 33-23-523, 33-23-524, 33-23-525, AND 33-23-526, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 33-11-105, MCA, is amended to read:

"33-11-105. Compulsory associations. (1) A risk retention group may not join or contribute financially to any insurance insolvency guaranty fund or similar mechanism in this state. In addition, a risk retention group or its insureds may not receive any benefit from any guaranty fund for claims arising out of the operations of the risk retention group.

(2) ~~(a) Except as provided in subsection (2)(b), a~~ A risk retention group shall participate in this state's joint underwriting associations, mandatory liability pools, and similar mechanisms.

~~(b) A risk retention group is excluded from participating in the joint underwriting association provided for in 33-23-508 and related financing mechanisms.~~

(3) When a purchasing group obtains insurance covering its members' risks from an insurer not authorized in this state or from a risk retention group, the risks, wherever resident or located, may not be covered by any insurance guaranty fund or similar mechanism in this state.

(4) When a purchasing group obtains insurance covering its members' risks from an authorized insurer, only risks resident or located in this state may be covered by the state guaranty fund, subject to Title 33, chapter 10, part 1."

1 NEW SECTION. Section 2. Repealer. The following sections of the Montana Code Annotated are

2 repealed:

3 33-23-501. Purpose.

4 33-23-502. Definitions.

5 33-23-503. Market review.

6 33-23-507. Market assistance plan.

7 33-23-508. Joint underwriting association.

8 33-23-509. Authority to issue policies.

9 33-23-510. Plan of operation -- submission -- amendment.

10 33-23-511. Application for coverage.

11 33-23-512. Rates -- approval.

12 33-23-513. Recoupment of deficit and member assessments.

13 33-23-514. Stabilization reserve fund.

14 33-23-515. Premium contingency assessment to cover deficit.

15 33-23-519. Claims-made policies.

16 33-23-520. Risk management.

17 33-23-521. Financial participation by association members.

18 33-23-522. Recognition of assessments in rates.

19 33-23-523. Directors.

20 33-23-524. Appeals and judicial review.

21 33-23-525. Annual statements.

22 33-23-526. Examination of association's affairs.

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24 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

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