

HOUSE BILL NO. 487

INTRODUCED BY C. CLARK

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR LIFE INSURANCE COVERAGE FOR NONSPECIFIED DISCRETIONARY GROUPS THAT MEET CERTAIN REQUIREMENTS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Discretionary groups. (1) Subject to the requirements of this section, the lives of a group of individuals may be insured under a policy issued to a group other than one described in this part if the commissioner finds that:

- (a) the issuance of the policy is not contrary to the best interest of the public;
- (b) the issuance of the policy would result in economies of acquisition or administration; and
- (c) the benefits of the policy are reasonable in relation to the premiums charged.

(2) Group life insurance coverage under this section may be offered in this state by an insurer under a policy issued in another state only if this state or another state that has requirements substantially similar to the requirements in subsection (1) has made a determination that the requirements of subsection (1) have been met.

(3) The premium for a policy issued under this section must be paid either from the policyholder's funds, from funds contributed by the covered persons, or from both.

(4) An insurer may exclude or limit the coverage on any individual if the evidence of the individual's insurability is not satisfactory to the insurer.

NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 33, chapter 20, part 11, and the provisions of Title 33, chapter 20, part 11, apply to [section 1].

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

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