



Independent Insurance
Agents of Montana

Big “I” Capitol Report

March 24, 2015

We are in the home stretch now, but there is still work to do and bills to follow. What stands out about the 64th Montana Legislative session is how a handful of bills have dominated the press and headlines.

The topic of Medicare expansion has been the most important insurance related issue. The Governor’s proposal has not gone anywhere and several other compromise bills have failed to move along.

Another group of major bills relate to the \$300 million plus “infrastructure” proposals. As with many bills of this nature, legislators are all in favor of improving Montana’s roads and communities, but there is a general disagreement how and who should pay for it. Perhaps the most attention has been given to the water compact bills. A tremendous amount of information has been generated regarding the water compact, yet there is no clear prediction as to the outcome.

And of course, there is House Bill 2, the general fund budget. The House has passed the bills and the Governor’s office has already indicated that he will veto the bill as it stands. More to follow on the most important bill of any legislative session.

In regards to property and casualty insurance related bills, we have seen some good bills passed and are still working to defeat a few bills that will harm our industry and our customers. The biggest threat looming is SB 398, which requires the Montana State Fund to make dividend distribution payments of *at least* \$50 million when the State Fund reaches a certain level of surplus.

It is our position that the decision regarding dividends should be left up to the Board of Directors, which is appointed by the Governor, and not imposed by the legislature. This bill remains in Senate Committee awaiting executive action. The earlier bill that threatened the workers compensation marketplace, SB 254, is probably dead and hopefully will remain inactive.

In addition to SB 398, House Bills 94, 118, 240, 375, 453 and Senate Bill 123 are of particular interest to our agents and industry.

The bill number in the left column is an active link to the actual bill language. The second column contains a short description of the Bill and also the status of the bill.

The bills that are most significant are in “**bold**” and the current status is in “**red**”.

House Bills

<u>HB 53</u>	Permits discounts to military or veterans by P&C carriers Passed Senate & House; transmitted to Governor
<u>HB 57</u>	Strengthen security protections against financial abuse Bill Passed both houses and signed by Governor
<u>HB 74</u>	Requires data breach notice to attorney general and insurance commissioner Bill Passed both houses and signed by Governor
<u>HB 78</u>	Clarifies vehicle owner’s privacy rights for event data recorders Re-referred to Senate committee with amendments; hearing scheduled on 3/24/15
<u>HB 90</u>	Revise worker’s compensation law regarding claims examiners and fee schedules Amended bill concurred in Senate, sent to enrolling
<u>HB 94</u>	Allows for combined coverage policies in surplus lines Signed by Governor
<u>HB 95</u>	Revises public adjuster laws Passed Senate; in enrollment process
<u>HB 103</u>	Revise duties of state auditor office related to insurance and security laws; Housekeeping bill Signed by Governor
<u>HB 118</u>	Allows for electronic delivery of policies Concurred as amended; to floor for discussion

<u>HB 119</u>	Update insurance laws to meet NAIC accreditation Passed House, heard in Senate committee on 3/13/15
<u>HB 204</u>	Revising laws relating to liability waivers and releases Passed Senate Judiciary on 3/5/15; floor discussion next
<u>HB 207</u>	Prohibiting disclosure of media from electronic communications services Awaiting executive action by Senate Judiciary committee
<u>HB 240</u>	Allows for policy fees in surplus lines Passed House and Senate; bill headed to Governor's office
<u>HB 297</u>	Prohibits Texting and cell phone use while driving Senate Judiciary concurred, headed to floor session
<u>HB 375</u>	Increases minimum limits of liability for property damage to \$20,000 Passed Senate, returned to House to approve amendments
<u>HB 413</u>	Create OSHA laws applicable to private employers 2nd reading failed in Senate
<u>HB 453</u>	Revises State Hail Program allowing board to borrow money from Board of Investments We strongly opposed this bill as drafted. Bill was killed on the House floor, but later amended and passed on to the Senate. The amendment is very favorable to agents. Our goal will be to keep the bill intact as it moves through the process. Still waiting for hearing in Senate Ag
<u>HB 503</u>	Clarify loss run insurance laws Heard in Senate Business; amendments offered and awaiting executive action
<u>HB 522</u>	Allows farm mutual insurance companies to merge and bulk agreements Passed out of committee and headed to the Senate floor
<u>HB 538</u>	Provide extraterritoriality option for workers' compensation Awaiting executive action in Senate Business & Labor

<u>HB 549</u>	Add motorcycles to liability insurance laws Awaiting executive action in Senate Transportation
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End of House Bills

Senate Bills

<u>SB 4</u>	Authorize temporary appointment in vacancy of worker's compensation judge Signed by Governor
<u>SB 52</u>	Revise captive insurance laws Referred to House Appropriations
<u>SB 83</u>	Adopt health insurance appeals/external review laws of NAIC Awaiting Executive action by House Business and Labor
<u>SB 84</u>	Revise claims considerations in insurance policies In second house, tabled in committee; probably dead
<u>SB 99</u>	Revise Insure Montana small business health insurance laws In first house, passed out of committee
<u>SB 123</u>	Revises regulatory authority over the Montana State Fund Transmitted to House, hearing scheduled for 3/24/15
<u>SB 184</u>	Allow for display of electronic proof of motor vehicle insurance Concurred in House committee; waiting for floor discussion
<u>SB 209</u>	Regulate vehicle event data Heard in House Judiciary on 3/11/15

<u>SB 234</u>	Revise tax and fees for professional liability insurance Hearing scheduled on 3/25/15
<u>SB 254</u>	Revise workers compensation laws relating to Montana State Fund Probably Dead
<u>SB 259</u>	Revises workers compensation and occupational health and safety assessments In first house – passed out of committee; fiscal note printed
<u>SB 288</u>	Allows for medical recovery related to worker's compensation Passed out of House committee, headed to House floor
<u>SB 292</u>	Creates drug formulary for workers compensation Tabled in House Business and Labor committee
<u>SB 347</u>	Revising worker compensation coverage options for emergency medical units Hearing in House B&L scheduled for 3/25/15
<u>SB 396</u>	Generally revise regulation of transportation for hire laws Hearing scheduled on 3/20/15
<u>SB 398</u>	Revise workers' compensation dividend payment laws Heard in committee on 3/20/15

End of Senate Bills