

BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR

In the matter of the amendment of)	NOTICE OF PROPOSED
ARM 6.6.4603 pertaining to the)	AMENDMENT
Notice of Protection Provided by the)	
Montana Life and Health Insurance)	NO PUBLIC HEARING
Guaranty Association)	CONTEMPLATED

TO: All Concerned Persons

1. The Commissioner of Securities and Insurance, Office of the Montana State Auditor (CSI), proposes to amend the above-stated rule.

2. The CSI will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the CSI no later than 5:00 p.m. on September 3, 2019, to advise us of the nature of the accommodation that you need. Please contact Ramona Bidon, CSI, 840 Helena Avenue, Helena, Montana, 59601; telephone (406) 444-2726; TDD (406) 444-3246; fax (406) 444-3499; or e-mail rbidon@mt.gov.

3. The rule proposed to be amended provides as follows, new matter underlined, deleted matter interlined:

6.6.4603 APPENDIX "A" - FORM AND CONTENT OF NOTICE (1) The form and content of the summary notice and disclosure document adopted in ARM 6.6.4601, and referred to as "Appendix A" are as follows:

(a) **NOTICE OF
PROTECTION PROVIDED BY
MONTANA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION**

This notice provides a **brief summary** of the Montana Life and Health Insurance Guaranty Association (~~the~~ Association) and the protection it provides for policyholders. ~~This safety net was created under Montana law, which determines who and what is covered and the amounts of coverage.~~

The Association was established under Montana law to provide protection in the unlikely event that a your life, annuity or health insurance issuer company becomes financially unable to meet its obligations and is ~~taken over by its Insurance Department~~ placed into liquidation. If this should happen, the Association will typically arrange to continue coverage and pay claims, in accordance with Montana law, with funding from assessments paid by other insurance companies.

In the event a company is placed into liquidation, benefits provided by the Association are payable according to the insurance policy or certificate, and subject to the following maximum limits:

- ~~The basic protections provided by the Association are:~~ Life Insurance - \$300,000 in death benefits, but limited to \$100,000 in cash surrender and net cash withdrawal values.
~~-\$100,000 in cash surrender or withdrawal values~~
- Health Insurance
 - ~~\$500,000 in hospital, medical and surgical insurance benefits~~ health insurance benefits
 - \$300,000 in disability income insurance benefits
 - \$300,000 in long-term care insurance benefits
 - \$100,000 in other types of health insurance benefits
- Annuities
- \$250,000 in withdrawal and cash values present value, including net cash surrender and net cash withdrawal values

The maximum amount of protection is \$300,000 in benefits with respect to any one life regardless of the number of policies or contracts, except with respect to ~~hospital, medical and surgical insurance benefits~~ the \$500,000 maximum in health insurance benefits but not including disability, long term care or other types of health insurance benefits.

Note: Other restrictions to coverage apply. Certain policies and contracts may not be covered or fully covered. For example, coverage does not extend to any portion(s) of a policy or contract that the insurer does not guarantee, such as certain investment additions to the account value of a variable life insurance policy or a variable annuity contract. There are also various residency requirements and other limitations under Montana law.

To learn more about the above protections, as well as protections relating to group contracts or retirement plans, please visit the Association's web site at www.mtlifega.org or contact:

Montana Life and Health Insurance Guaranty Association PO Box 8247 Missoula, MT 59807 877-678-1048 or administrator@mtlifega.org	Office of the Montana State Auditor Commissioner of Securities and Insurance 840 Helena Ave. Helena, MT 59601 406-444-2040
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------

IF YOUR INSURANCE COMPANY IS IN GOOD STANDING AND NOT IN LIQUIDATION, PLEASE DIRECT QUESTIONS ABOUT YOUR POLICY TO YOUR INSURANCE COMPANY!

Insurance companies and agents are not allowed by Montana law to use the existence of the Association or its coverage to encourage you to purchase any form of insurance. When selecting an insurance company, you should not rely on Association coverage.

If there is any inconsistency between this notice and Montana law, then Montana law will control.

AUTH: 33-1-313, 33-10-210, MCA
IMP: 33-10-210, MCA

Reason: The Commissioner of Securities and Insurance - Office of the State Auditor, Matthew M. Rosendale, (commissioner) is the statewide elected official responsible for administering the Montana Insurance Department and regulating insurers. Title 33, MCA, provides for the creation and administration of the Montana Life and Health Insurance Guaranty Association; Mont. Code Ann. Section 33-10-201, et. seq. The proposed amendments to ARM 6.6.4603 are necessary to conform to changes in Montana law, 33-10-202, MCA, as amended by 2019 Montana House Bill 64 (effective January 1, 2020), and to make other editing changes.

4. Concerned persons may submit their data, views, or arguments concerning the proposed actions in writing to: Ivan C. Evilsizer, Attorney, Office of the Commissioner of Securities and Insurance, Montana State Auditor, 840 Helena Ave., Helena, Montana, 59601; telephone (406) 444-1295; fax (406) 444-3497; or e-mail chuck.evilsizer@mt.gov, and must be received no later than 5:00 p.m., September 20, 2019.

5. If persons who are directly affected by the proposed action wish to express their data, views, or arguments orally or in writing at a public hearing, they must make written request for a hearing and submit this request along with any written comments to Ivan C. Evilsizer at the above address no later than 5:00 p.m., September 20, 2019.

6. If the agency receives requests for a public hearing on the proposed action from either 10 percent or 25, whichever is less, of the persons directly affected by the proposed action; from the appropriate administrative rule review committee of the Legislature; from a governmental subdivision or agency; or from an association having not less than 25 members who will be directly affected, a hearing will be held at a later date. Notice of the hearing will be published in the Montana Administrative Register. Ten percent of those directly affected has been determined to be: 130 based on the number of insurers with a Montana certificate of authority.

7. The CSI maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list may sign up by clicking on the blue button on the CSI's website at: <http://csimt.gov/laws-rules/> and may specify the subject matter they are interested in. Notices will be sent by e-mail unless a mailing preference is noted in the request. Request may also be sent to the CSI in writing. Such written request may be mailed or delivered to the contact information in 2 above or may be made by completing a request form at any rules hearing held by the CSI.

8. The bill sponsor contact requirements of 2-4-302, MCA, apply and have been fulfilled. The bill sponsor was contacted by U.S. mail on August 15, 2019.

9. With regard to the requirements of 2-4-111, MCA, the office has determined that the amendment of the above-referenced rule will have no significant impact on small businesses.

10. This amended rule shall become effective on January 1, 2020.

/s/ Ivan C. Evilsizer
Ivan C. Evilsizer
Rule Reviewer

/s/ Michelle Dietrich
Michelle Dietrich
Chief Legal Counsel

Certified to the Secretary of State August 13, 2019.