

**STATE OF MONTANA
MONICA J. LINDEEN
State Auditor
Commissioner of Insurance & Securities
840 Helena Avenue
Helena, MT 59601**

**APPLICATION FOR ORIGINAL CERTIFICATE OF AUTHORITY
MOTOR CLUB**

NAME OF MOTOR CLUB

STREET ADDRESS

CITY

STATE

ZIP

Phone #: () _____ FEIN #: _____

Mailing address (if different) _____

Date of organization or incorporation _____ State of Domicile _____

Herewith submitted are the following documents:

- () Copy of the form of contract to be used.
- () Certified copy of charter or articles of incorporation and bylaws, if any.
- () Latest financial statements including balance sheet and income statement executed on oath by president or other principal officer.
- () Documentation showing compliance with Section 61-12-304, MCA (Indemnity Bond form enclosed).
- () Certificate of Good Standing from the Secretary of State of Montana showing compliance with the corporation laws of this state.
- () \$100.00 license fee or the pro rata portion thereof necessary to be paid to the end of the current calendar year from the date of the application for such license.
- () Biographical Affidavit of each principal officer (sample form enclosed).

DATED _____

(Signature)

(Title)

**INDEMNITY BOND
MOTOR CLUB SERVICE COMPANY**

BOND No. _____

AMOUNT _____

Know All Men By These Presents, that _____,
hereinafter called the Principal, and _____,
a corporation authorized to transact insurance business within the state of Montana, as Surety, are held and firmly bound unto the State of Montana, hereinafter called the Obligee in the sum of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) for the payment whereof to the Obligee, the Principal and Surety hereby bind themselves, their successors and assigns, jointly and severally firmly by these presents.

The condition of this obligation is such that the above Principal has made application to the Obligee for a certificate of authority to engage in the business of a Motor Club within the State of Montana and will function as such. The Principal shall, in accordance with the provisions of its Motor Club certificate of authority, comply with the applicable laws of the State of Montana and assure the faithful performance of its obligations to its members or subscribers. If the Principal is complying with the provisions of its license and is faithfully performing its obligations to members or subscribers, then this obligation shall be null and void; otherwise, this obligation remains in full force and effect.

Provided, however, that the liability of the Surety hereunder shall in no event exceed the penal sum of this bond as stated above, regardless of the number of years the bond shall continue in force; and it is expressly agreed that either the principal or surety may cancel this bond by giving thirty (30) days written notice to the other, provided however, that such cancellation shall not be effective so far as the Obligee is concerned until the expiration of thirty (30) days after written notice has been given to said Obligee by the Surety. Such notice shall be delivered to the Obligee at the Office of the Insurance Commissioner of the State of Montana.

SIGNED, SEALED AND DATED THIS _____ DAY OF _____, 20_____.

ATTEST:

(Name of Motor Club)

By: _____

ATTEST:

(Name of Surety)

By: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names). _____

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. a. Affiant's Full Name (Initials Not Acceptable). _____

b. Maiden Name (if applicable). _____

2. a. Have you ever had your name changed? _____ If yes, give the reason for the change and provide the full name(s).

b. Other names used at any time (including aliases).

3. a. Are you a citizen of the United States?

b. Are you a citizen of any other country, if so, what country?

4. Affiant's Occupation or Profession. _____

5. Affiant's business address. _____

Business telephone. _____

Beginning/Ending
Dates (MM/YY) _____ - _____ Employers'Name _____
Address _____ City _____ State/Province _____
Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
Supervisor / Contact _____

Beginning/Ending
Dates (MM/YY) _____ - _____ Employers'Name _____
Address _____ City _____ State/Province _____
Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
Supervisor / Contact _____

10. a. Have you ever been in a position which required a fidelity bond? _____ If any claims were made on the bond, give details. _____
b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. _____

11. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued. Attach additional pages if the space provided is insufficient.

Organization/Issuer of License _____ Address _____
City _____ State/Province _____ Country _____ Postal Code _____
License Type _____ License # _____ Date Issued (MM/YY) _____
Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____
Organization /Issuer of License _____ Address _____
City _____ State/Province _____ Country _____ Postal Code _____
License Type _____ License # _____ Date Issued (MM/YY) _____
Date Expired (MM/YY) _____ Reason for Termination _____
Non-insurance Regulatory Phone Number (if known) _____

12. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond “no” to the question. Have you ever:
- a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency?

 - b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action?

 - c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? _____
 - d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? _____
 - e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses?

 - f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? _____
 - g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? _____
 - h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? _____
 - i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? _____
 - j. Had a lien, or foreclosure action filed against you or any entity while you were associated with that entity?

If the response to any question above is answered “Yes”, please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

13. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term “control” (including the terms “controlling,” “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. _____

If any of the stock is pledged or hypothecated in any way, give details. _____

14. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities.
- _____
- _____

If any of the shares of stock are pledged or hypothecated in any way, give details.

15. Have you ever been adjudged a bankrupt? _____
16. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.
- a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? _____
 - b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? _____
 - c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? _____

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this _____ day of _____ at _____ I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

(Signature of Affiant) _____
Date

State of _____ County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ By

_____, and:

- who is personally known to me, or
- who produced the following identification: _____

[SEAL]

Notary Public

Printed Notary Name

My Commission Expires

BIOGRAPHICAL AFFIDAVIT
Supplemental Information

(Print or Type)

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

Full Name, Address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

1. a. Affiant's Full Name (Initials Not Acceptable). _____
b. Maiden Name (if applicable) _____
2. Affiant's Social Security Number _____
3. Government Identification Number if not a U.S. Citizen _____
4. Foreign Student ID# (if applicable) _____
5. Date of Birth: (MM/DD/YY) _____ Place of Birth: City _____
State/Province _____ Country _____
6. Name of Affiant's Spouse (if applicable) _____
7. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending

| Dates (MM/YY) | Address | City | State/ Province | Country | Postal Code |
|------------------|---------|------|--------------------|---------|-------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Dated and signed this _____ day of _____ at _____
I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

(Signature of Affiant) _____
Date

State of _____ County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ By _____, and:

- who is personally known to me, or
- who produced the following identification: _____

[SEAL]

Notary Public

Printed Notary Name

My Commission Expires

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS *(All states except California, Minnesota and Oklahoma)*

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of _____ **[insert company name]** (“Company”) for licensure or a permit to organize (“Application”) with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) (“Background Reports”) regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative (“Affiant”) of Company or of any business entities affiliated with Company (“Term of Affiliation”) for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency (“CRA”) that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact _____ **[insert company’s designated person, position, or department, address and phone]**.

Attached for your information is a “Summary of Your Rights Under the Fair Credit Reporting Act.”

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

(Printed Full Name and Residence Address)

(Signature) (Date)

State of _____ County of _____

The foregoing instrument was acknowledged before me this _____ day of _____ 20_____. By _____, who is personally known to me, or _____ who produced the following identification:

[SEAL]

Notary Public

Printed Notary Name

My Commission Expires

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (Minnesota and Oklahoma)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of _____ **[insert company name]** (“Company”) for licensure or a permit to organize (“Application”) with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) (“Background Reports”) regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative (“Affiant”) of Company or of any business entities affiliated with Company (“Term of Affiliation”) for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may request more information about the nature and scope of Background Reports produced by any consumer reporting agency (“CRA”) by submitting a written request to Company. You should submit any such written request for more information, to _____ **[insert company’s designated person, position, or department, address and phone]**.

Attached for your information is a “Summary of Your Rights Under the Fair Credit Reporting Act.” You will be provided with a copy of any Background Report procured by Company if you check the box below.

- By checking this box, I request a copy of any Background Report from any CRA retained by Company, at no extra charge.

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

(Printed Full Name and Residence Address)

(Signature)

(Date)

State of _____ County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ By _____, who is personally known to me, or _____ who produced the following identification:

[SEAL]

Notary Public

Printed Notary Name

My Commission Expires

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (California)

This Disclosure and Authorization is provided to you in connection with a pending application of _____ **[insert company name]** (“Company”) for licensure or a permit to organize (“Application”) with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) (“Background Reports”) regarding your background for review by any department of insurance in such states where Company is currently pursuing an Application, because you are either functioning as, or are seeking to function as, an officer, member of the board of directors or other management representative (“Affiant”) of Company or of any business entities affiliated with Company (“Term of Affiliation”) for which a Background Report is required by a department of insurance reviewing any Application. Background Reports will be obtained through _____ **[insert name of CRA, address]** (“CRA”). Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may request more information about the nature and scope of Background Reports produced by any consumer reporting agency (“CRA”) by submitting a written request to Company. You should submit any such written request for more information, to _____ **[insert company’s designated person, position, or department, address and phone]**.

Attached for your information is a “Summary of Your Rights Under the Fair Credit Reporting Act.” You will be provided with a copy of any Background Report procured by Company if you check the box below.

By checking this box, I request a copy of any Background Report from any CRA retained by Company, at no extra charge.

Under section 1786.22 of the California Civil Code, you may view the file maintained on you by the CRA listed above. You may also obtain a copy of this file, upon submitting proper identification and paying the costs of duplication services, by appearing at the CRA in person or by mail; you may also receive a summary of the file by telephone. The CRA is required to have personnel available to explain your file to you and the CRA must explain to you any coded information appearing in your file. If you appear in person, you may be accompanied by one other person of your choosing, provided that person furnishes proper identification.

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. In no event, however, will this authorization remain in effect beyond twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

(Printed Full Name and Residence Address)

(Signature)

(Date)

State of _____ County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ By _____, who is personally known to me, or _____ who produced the following identification:

[SEAL]

Notary Public

Printed Notary Name

My Commission Expires

Part 3

Motor Club Service Companies

61-12-301. Terms defined. The following words and phrases, when used in this part, shall for the purpose of this part have the meanings respectively ascribed to them in this section, except in those instances where the context of the part clearly indicates that they shall have a different meaning:

(1) "Agent" means whoever solicits the purchase of service contracts, as herein defined, or transmits for another any such contract or application therefor to or from the company, or acts or aids in any manner in the delivery or negotiation of any such contract, or of the renewal or continuance thereof.

(2) "Bail bond service" means any act or acts by a company, as herein defined, the purpose of which is to furnish or procure for any person accused of violation of any law of this state a cash deposit, bond, or other undertaking required by law in order that the accused might enjoy his personal freedom pending trial.

(3) "Buying and selling service" means any act or acts of a company, as herein defined, whereby the holder of a service contract with any such company is aided in any way in the purchase or sale of an automobile.

(4) "Commissioner" means the commissioner of insurance of the state of Montana or his assistants or deputies or other persons authorized to act for him.

(5) "Company" means any person, firm, partnership, company, association, or corporation engaged in selling, furnishing, or procuring, either as principal or agent, for a consideration, motor club service as herein defined.

(6) "Discount service" means any act or acts by a company, as herein defined, resulting in the giving of special discounts, rebates, or reductions of price on gasoline, oil, repairs, insurance, parts, accessories, or service for motor vehicles to holders of service contracts with any such company.

(7) "Emergency road service" means any act or acts by a company, as herein defined, consisting of the adjustment, repair, or replacement of the equipment, tires, or mechanical parts of any automobile so as to permit it to be operated under its own power.

(8) "Financial service" means any act or acts by a company, as herein defined, whereby loans or other advances of money, with or without security, are made to holders of service contracts with any such company.

(9) "Legal service" means any act or acts by a company, as herein defined, consisting of the hiring, retaining, engaging, or appointing of an attorney or other person to give professional advice to or represent holders of service contracts with any such company in any court, as the result of liability incurred by the right of action accruing to the holder of a service contract as a result of the ownership, operation, use, or maintenance of a motor vehicle.

(10) "Map service" means any act or acts by a company, as herein defined, by which road maps are furnished without cost to holders of service contracts with any such company.

(11) "Motor club service" means the rendering, furnishing, or procuring of towing service, emergency road service, insurance service, bail bond service, legal service, discount service, financial service, buying and selling service, theft service, map service, and touring service, or any three or more thereof, as herein defined, to any person or persons in connection with the ownership, operation, use, or maintenance of a motor vehicle by such other person or persons in consideration of such other person or persons being or becoming a member or members of any company rendering, procuring, or furnishing the same, or being or becoming in any manner affiliated therewith, or being or becoming entitled to receive membership or other motor club service therefrom by virtue of any agreement or understanding with any such company.

(12) "Service contract" means any agreement or understanding whereby any company, as herein defined, for a consideration promises to render, furnish, or procure for any other person or persons, whether they be members of such company or otherwise, motor club service, as herein defined.

(13) "Theft service" means any act or acts by a company, as herein defined, the purpose of which is to locate, identify, or recover a motor vehicle owned or controlled by the holder of a service contract with any such company which has been or may be stolen or to detect or apprehend the person guilty of such theft.

(14) "Touring service" means any act or acts by a company, as herein defined, by which touring information is furnished without cost to holders of service contracts with any such company.

(15) "Towing service" means any act or acts by a company, as herein defined, consisting of the drafting or moving of a motor vehicle from one place to another under other than its own power.

History: En. Sec. 1, Ch. 131, L. 1931; re-en. Sec. 4211.1, R.C.M. 1935; R.C.M. 1947, 66-1101.

61-12-302. Companies and agents to be licensed. No company or any agent, as herein defined, doing business in this state shall execute, issue, or deliver any service contract to any person or persons owning or operating motor vehicles without first having obtained a license from the commissioner as provided for in this part, nor shall any such company or agent collect or receive from any person or persons in advance of the execution, issuance, or delivery of any such service contract any money or other thing of value upon any promise or agreement to execute, issue, or deliver any such service contract without first having obtained a license from said commissioner as provided for in this part.

History: En. Sec. 2, Ch. 131, L. 1931; re-en. Sec. 4211.2, R.C.M. 1935; R.C.M. 1947, 66-1102.

61-12-303. Requirements for license. (1) The commissioner may not issue a license to a company until the company has filed the following:

- (a) a formal application in the form and detail that the commissioner may require, executed under oath by its president or other principal officer;
- (b) a copy of the form of its contract;
- (c) a certified copy of its charter or articles of incorporation and its bylaws, if any;
- (d) a financial statement in the form and detail that the commissioner may require, executed on oath by its president or other principal officer;
- (e) a certificate from the commissioner that it has complied with 61-12-304 in all cases in which a deposit of cash or a bond is required by this part;
- (f) if the company is a corporation, a certificate from the secretary of state that the company has complied with this state's corporate laws.

(2) The commissioner may not issue a license to a company until the company has paid to the commissioner \$100 as an annual license fee or the pro rata portion of the \$100 necessary to be paid to the end of the current calendar year from the date of the application for the license.

(3) The commissioner may not issue a license to a company until the company has satisfied by an examination and evidence that the commissioner may require that the company has complied with the laws of the state, that its management is trustworthy and competent, and that the company is financially responsible.

History: En. Sec. 3, Ch. 131, L. 1931; re-en. Sec. 4211.3, R.C.M. 1935; R.C.M. 1947, 66-1103; amd. Sec. 19, Ch. 798, L. 1991; amd. Sec. 63, Ch. 472, L. 1999.

61-12-304. Deposits required. The commissioner may not grant a license to a company until it has deposited with the commissioner the sum of \$25,000 in cash or in lieu thereof a bond in a form prescribed by the commissioner payable to the state of Montana in the sum of \$25,000, with surety approved by the commissioner, conditioned upon the faithful performance of its service contracts and payment of any fines or penalties levied against it for failure to comply with this part. However, when any company proves to the commissioner that it has been in continuous, active operation in the state for a period of more than the preceding 5 years and has a paid membership of more than 5,000 members within the state or that there are more than 5,000 holders of its service contracts within the state and that it is being properly managed, is rendering to its members the services promised to them, and is financially responsible, the commissioner may not require a cash deposit or bond while the company remains in that condition. The cash deposit or bond is not a penalty but is for the protection of the public only.

History: En. Sec. 4, Ch. 131, L. 1931; re-en. Sec. 4211.4, R.C.M. 1935; R.C.M. 1947, 66-1104; amd. Sec. 20, Ch. 798, L. 1991.

61-12-305. Continuance of license. Subject to payment by January 1 of each year of the annual license fee required under 61-12-303, each license continues in force as long as the company is entitled to the license under this part or until the license is revoked, suspended, or otherwise terminated.

History: En. Sec. 5, Ch. 131, L. 1931; re-en. Sec. 4211.5, R.C.M. 1935; R.C.M. 1947, 66-1105; amd. Sec. 21, Ch. 798, L. 1991.

61-12-306. Revocation of license. If the commissioner shall, at any time for cause shown and after a hearing, determine that a company has violated any provision or provisions of this part or that it is insolvent or that its assets are less than its liabilities or that it or its officers refuse to submit to an examination or that it is transacting business fraudulently or that its management or business methods are improper or hazardous to the holders of its service contracts, he shall thereupon revoke or suspend its license and shall give notice thereof to the public in such manner as he may deem proper.

History: En. Sec. 6, Ch. 131, L. 1931; re-en. Sec. 4211.6, R.C.M. 1935; R.C.M. 1947, 66-1106.

61-12-307. Financial statement to be filed. Every company shall annually, on or before February 1 of each year, file with the commissioner a financial statement in such form and detail as he may prescribe, executed on oath by its president or other principal officer, showing its financial condition on December 31 of the preceding year.

History: En. Sec. 7, Ch. 131, L. 1931; re-en. Sec. 4211.7, R.C.M. 1935; R.C.M. 1947, 66-1107.

61-12-308. Service contract to be filed with commissioner. No service contract shall be executed, issued, or delivered in this state until a copy of the form thereof has been on file for 30 days with the commissioner, unless before the expiration of said 30 days he shall have approved the form in writing; nor shall any service contract be executed, issued, or delivered at any time in this state if the commissioner notified the company in writing within said 30 days that in his opinion the form of the contract does not comply with the laws of this state, specifying the reasons therefor.

History: En. Sec. 8, Ch. 131, L. 1931; re-en. Sec. 4211.8, R.C.M. 1935; R.C.M. 1947, 66-1108.

61-12-309. Contracts to be in duplicate. Every service contract executed, issued, or delivered in this state shall be made in duplicate, and shall be signed by the company issuing the same, or by its duly authorized agent, and by the party purchasing the same, and one copy thereof shall be kept by said company, and the other copy shall be delivered to the party purchasing the same.

History: En. Sec. 9, Ch. 131, L. 1931; re-en. Sec. 4211.9, R.C.M. 1935; R.C.M. 1947, 66-1109.

61-12-310. Form of contract. A motor club service contract may not be executed, issued, or delivered in this state unless it contains the following:

- (1) the name of the motor club service company;
- (2) the location of its home office, giving street number, city, and state;
- (3) a provision that the contract may be canceled at any time by either the company or the holder and that the holder is, if the holder has actually paid the consideration, entitled to the unused portion of the consideration paid for the contract, calculated on a pro rata basis without any deductions;
- (4) a provision plainly specifying the services promised and that the holder is not required to pay any sum for any services specified in the contract in addition to the amount specified in the contract and further specifying the territory where the services are to be rendered and the date when the service commences.

History: En. Sec. 10, Ch. 131, L. 1931; re-en. Sec. 4211.10, R.C.M. 1935; R.C.M. 1947, 66-1110; amd. Sec. 71, Ch. 227, L. 2001.

61-12-311. Companies to be licensed. No person shall solicit or aid in the solicitation of another person to purchase a service contract issued by a company not duly licensed under this part.

History: En. Sec. 11, Ch. 131, L. 1931; re-en. Sec. 4211.11, R.C.M. 1935; R.C.M. 1947, 66-1111.

61-12-312. Contract not to be misrepresented. No company and no officer or agent thereof shall orally or in writing misrepresent the terms, benefits, or privileges of any service contract issued or to be issued by it.

History: En. Sec. 12, Ch. 131, L. 1931; re-en. Sec. 4211.12, R.C.M. 1935; R.C.M. 1947, 66-1112.

61-12-313. Contracts binding on company although not complying with part. Any service contract made, issued, or delivered contrary to any provision of this part shall nevertheless be valid and binding on the company.

History: En. Sec. 13, Ch. 131, L. 1931; re-en. Sec. 4211.13, R.C.M. 1935; R.C.M. 1947, 66-1113.

61-12-314. Applicability. Nothing in this part shall apply to a duly authorized attorney at law acting in the usual course of his profession or to any insurance company, bonding company, or surety company, now or hereafter duly and regularly licensed and doing business as such under the laws of the state.

History: En. Sec. 14, Ch. 131, L. 1931; re-en. Sec. 4211.14, R.C.M. 1935; R.C.M. 1947, 66-1114.

61-12-315. Penalty for violation. A person violating the provisions of this part is liable pursuant to 33-1-317.

History: En. Sec. 15, Ch. 131, L. 1931; re-en. Sec. 4211.15, R.C.M. 1935; R.C.M. 1947, 66-1115; amd. Sec. 72, Ch. 227, L. 2001.