

SENATE BILL NO. 429

INTRODUCED BY S. GALLUS

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING AN INSURER WRITING HOMEOWNER'S  
5 INSURANCE FROM REFUSING TO INSURE, REFUSING TO CONTINUE TO INSURE, VARYING RATES, OR  
6 LIMITING THE SCOPE OR AMOUNT OF COVERAGE OR BENEFITS AVAILABLE TO AN INDIVIDUAL BASED  
7 IN ANY PART ON THE INSURER'S KNOWLEDGE OF THE INDIVIDUAL'S CREDIT HISTORY; REPEALING  
8 THE MONTANA USE OF CREDIT INFORMATION IN PERSONAL INSURANCE ACT; AMENDING SECTION  
9 33-18-210, MCA; AND REPEALING SECTIONS 33-18-601, 33-18-602, 33-18-603, 33-18-604, 33-18-605,  
10 33-18-606, 33-18-607, 33-18-608, 33-18-609, 33-18-610, AND 33-18-611, MCA."

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

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14 **Section 1.** Section 33-18-210, MCA, is amended to read:  
15 **"33-18-210. Unfair discrimination and rebates prohibited -- property, casualty, and surety**  
16 **insurances.** (1) A title, property, casualty, or surety insurer or an employee, representative, or insurance  
17 producer of an insurer may not, as an inducement to purchase insurance or after insurance has been effected,  
18 pay, allow, or give or offer to pay, allow, or give, directly or indirectly, a:  
19 (a) rebate, discount, abatement, credit, or reduction of the premium named in the insurance policy;  
20 (b) special favor or advantage in the dividends or other benefits to accrue on the policy; or  
21 (c) valuable consideration or inducement not specified in the policy, except to the extent provided for in  
22 an applicable filing with the commissioner as provided by law.  
23 (2) An insured named in a policy or an employee of the insured may not knowingly receive or accept,  
24 directly or indirectly, a:  
25 (a) rebate, discount, abatement, credit, or reduction of premium;  
26 (b) special favor or advantage; or  
27 (c) valuable consideration or inducement.  
28 (3) An insurer may not make or permit unfair discrimination in the premium or rates charged for  
29 insurance, in the dividends or other benefits payable on insurance, or in any other of the terms and conditions  
30 of the insurance either between insureds or property having like insuring or risk characteristics or between

1 insureds because of race, color, creed, religion, or national origin.

2 (4) This section may not be construed as prohibiting the payment of commissions or other compensation  
3 to licensed insurance producers or as prohibiting an insurer from allowing or returning lawful dividends, savings,  
4 or unabsorbed premium deposits to its participating policyholders, members, or subscribers.

5 (5) An insurer may not make or permit unfair discrimination between individuals or risks of the same  
6 class and of essentially the same hazards by refusing to issue, refusing to renew, canceling, or limiting the  
7 amount of insurance coverage on a property or casualty risk because of the geographic location of the risk,  
8 unless:

9 (a) the refusal, cancellation, or limitation is for a business purpose that is not a mere pretext for unfair  
10 discrimination; or

11 (b) the refusal, cancellation, or limitation is required by law or regulatory mandate.

12 (6) An insurer may not make or permit unfair discrimination between individuals or risks of the same  
13 class and of essentially the same hazards by refusing to issue, refusing to renew, canceling, or limiting the  
14 amount of insurance coverage on a residential property risk or on the personal property contained in the  
15 residential property, because of the age of the residential property, unless:

16 (a) the refusal, cancellation, or limitation is for a business purpose that is not a mere pretext for unfair  
17 discrimination; or

18 (b) the refusal, cancellation, or limitation is required by law or regulatory mandate.

19 (7) An insurer may not refuse to insure, refuse to continue to insure, or limit the amount of coverage  
20 available to an individual because of the sex or marital status of the individual. However, an insurer may take  
21 marital status into account for the purpose of defining persons eligible for dependents' benefits.

22 (8) An insurer may not terminate or modify coverage or refuse to issue or refuse to renew a property or  
23 casualty policy or contract of insurance solely because the applicant or insured or any employee of either is  
24 mentally or physically impaired. However, this subsection does not apply to accident and health insurance sold  
25 by a casualty insurer, and this subsection may not be interpreted to modify any other provision of law relating to  
26 the termination, modification, issuance, or renewal of any insurance policy or contract.

27 (9) An insurer may not refuse to insure, refuse to continue to insure, charge higher rates, or limit the  
28 amount of coverage available to an individual based solely on adverse information contained in a driving record  
29 that is 3 years old or older. However, an insurer may provide discounts to an insured based on favorable aspects  
30 of an insured's claims history that is 3 years old or older.

1 (10) An insurer may not charge points or surcharge a private passenger motor vehicle policy because  
2 of a claim submitted under the insured's policy if the insured was not at fault.

3 (11) (a) For the purposes of this subsection (11), "credit history" means that portion of a credit report or  
4 background report that addresses the applicant's or insured's debt payment history or lack of history, including  
5 how an applicant or insured uses credit and credit scores based on factors such as amounts owed, payment  
6 history, length of credit, new credit, and types of credit in use.

7 (b) An insurer writing homeowner's insurance may not refuse to insure, refuse to continue to insure, vary  
8 rates, or limit the scope or amount of coverage or benefits available to an individual based in any part on the  
9 insurer's knowledge of the individual's credit history."

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11 NEW SECTION. Section 2. Repealer. Sections 33-18-601, 33-18-602, 33-18-603, 33-18-604,  
12 33-18-605, 33-18-606, 33-18-607, 33-18-608, 33-18-609, 33-18-610, and 33-18-611, MCA, are repealed.

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