



AN ACT PROVIDING THAT A DISABILITY INSURER MAY NOT CHARGE THE INSURED ANY FEES OR PENALTY FOR CANCELING COVERAGE THAT THE INSURED HAS PAID FOR IN ADVANCE; REQUIRING THE DISABILITY INSURER TO REFUND ANY UNEARNED PORTION OF THE PREMIUM TO THE INSURED; AND CREATING AN EXCEPTION FOR CERTAIN SHORT-TERM DISABILITY POLICIES.

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

Section 1. Return of unearned premium. If an insured pays a premium in advance for coverage to any disability insurer licensed in this state and the insured subsequently cancels the coverage, the disability insurer shall refund the unearned portion of the premium. The disability insurer may consider premium to be earned only on a calendar month basis. The disability insurer may not charge the insured any fees or penalty for canceling the coverage. This section does not apply to a short-term disability policy that has a duration of 6 months or less.

Section 2. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 33, chapter 22, part 1, and the provisions of Title 33, chapter 22, part 1, apply to [section 1].

- END -

I hereby certify that the within bill,
HB 0544, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2009.

President of the Senate

Signed this _____ day
of _____, 2009.

HOUSE BILL NO. 544

INTRODUCED BY VINCENT, WILSON

AN ACT PROVIDING THAT A DISABILITY INSURER MAY NOT CHARGE THE INSURED ANY FEES OR PENALTY FOR CANCELING COVERAGE THAT THE INSURED HAS PAID FOR IN ADVANCE; REQUIRING THE DISABILITY INSURER TO REFUND ANY UNEARNED PORTION OF THE PREMIUM TO THE INSURED; AND CREATING AN EXCEPTION FOR CERTAIN SHORT-TERM DISABILITY POLICIES.