

HOUSE BILL NO. 588
INTRODUCED BY G. MATTHEWS

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT MIDTERM INCREASES ON CONTRACTS OF PROPERTY OR CASUALTY INSURANCE ARE NOT PROHIBITED IF THEY RESULT FROM A CHANGE IN INSURANCE RISK OR FROM A CHANGE IN THE CLASSIFICATION OF THE INSURED BASED UPON THE INSURER'S FILED CLASSIFICATION SYSTEM IN EFFECT AT THE TIME OF THE POLICY'S LAST RENEWAL; AND AMENDING SECTION 33-15-1101, MCA."

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

Section 1. Section 33-15-1101, MCA, is amended to read:

"33-15-1101. Purpose -- applicability. (1) The purpose of this part is to protect the public with regard to insurance transactions that involve cancellation, renewal, nonrenewal, or premium increases on contracts of property or casualty insurance by:

(a) regulating the grounds for midterm cancellation of an insurance policy;

(b) prohibiting midterm increases in premiums that do not result from a change in insurance risk or from a change in the classification of the insured based upon the insurer's filed classification system in effect at the time of the policy's last renewal;

(c) increasing the opportunity for insureds to shop for replacement or substitute insurance;

(d) reducing the opportunity for breach of contract, misrepresentation by omission or untimely disclosure, and unfair discrimination among insureds; and

(e) increasing the opportunity for insurance producers to compete freely.

(2) This part applies to those forms of insurance defined in 33-1-206 and 33-1-210, except to the extent they conflict with chapter 23 of this title.

(3) This part does not limit the activities that may constitute undefined unfair trade practices prohibited by 33-18-1003. The commissioner may apply other provisions of this code to insurance transactions involving cancellation, renewal, nonrenewal, or premium increases on contracts of property or casualty insurance. Policies may provide terms more favorable to insureds than are required by this part. The rights provided by this part are in addition to and do not prejudice any other rights that the insured may have under common law, statutes, or rules."

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