

HOUSE BILL NO. 691
INTRODUCED BY D. ROBERTS

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT A HEALTH CARRIER MAY NOT PROHIBIT A POLICYOWNER OR INSURED FROM ASSIGNING THE RIGHT TO COLLECT UNDER THE TERMS OF THE POLICY DIRECTLY TO A HEALTH CARE FACILITY, PHYSICIAN, DENTIST, OR OTHER PROVIDER THAT HAS PROVIDED SERVICES COVERED UNDER THE POLICY; AMENDING SECTION 33-15-414, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 33-15-414, MCA, is amended to read:

"33-15-414. Assignment. (1) Except as provided in subsection (3), a ~~A~~ policy or group certificate issued under a policy may be assignable or not assignable, as provided by its terms.

(2) Subject to its terms relating to the assignability, any life or disability policy or group certificate under either, under the terms of which the beneficiary may be changed upon the sole request of the insured or owner, may be assigned either by pledge or by transfer of title, by an assignment executed by the insured or owner, alone and delivered to the insurer, whether or not the pledgee or assignee is the insurer.

(3) A policy or certificate issued under a policy, including a disability policy, that is issued by a health carrier, as defined in 33-36-103, may not prohibit a policyowner or insured covered by the policy from assigning the right to collect under the terms of the policy directly to a health care facility, physician, dentist, or other provider that has provided services covered under the policy.

~~(3)~~(4) An assignment valid under this section may transfer to the assignee all the rights, privileges, and incidents of ownership of the assignor in the policy or group certificate, including but not limited to the rights to designate beneficiaries and of a group certificate holder to have an individual policy issued in accordance with 33-20-1209 and 33-20-1210. Any assignment entitles the insurer to deal with the assignee as the owner or pledgee of the policy in accordance with the terms of the assignment until the insurer has received at its home office written notice of termination of the assignment or pledge or written notice by or on behalf of some other person claiming some interest in the policy in conflict with the assignment. However, the insurer may not be prejudiced by any payment made or action taken inconsistent with the terms of any assignment before the insurer has received and had reasonable time to act on written notice of the assignment.

~~(4)~~(5) This section acknowledges, declares, and codifies the existing right of assignment of interests under insurance policies. An assignment otherwise valid is not invalid because it was made prior to July 1, 1971.

~~(5)~~(6) An insurance producer may not have an ownership interest in any policy, by assignment or otherwise, unless the insurance producer has an insurable interest, as defined in 33-15-201, in the life of the insured, except with permission of the commissioner."

NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 3. Applicability.** [This act] applies to all policies, agreements, contracts, or evidence of coverage issued, amended, or renewed on or after [the effective date of this act].

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