

HOUSE BILL NO. 587

INTRODUCED BY D. HIMMELBERGER

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT COVERAGES SPECIFIED UNDER ONE POLICY OR UNDER MORE THAN ONE POLICY ISSUED BY THE SAME COMPANY MAY NOT BE ADDED TOGETHER IF THE PREMIUMS CHARGED FOR THE COVERAGE ACTUARIALLY REFLECT THE LIMITING OF COVERAGE TO A SINGLE MOTOR VEHICLE; PROVIDING THAT AN INSURANCE POLICY MAY CONTAIN A PROVISION FOR OFFSETTING UNINSURED OR UNDERINSURED MOTORIST LIMITS AGAINST THIRD-PARTY LIABILITY LIMITS AVAILABLE TO A POLICYHOLDER; AMENDING SECTION 33-23-203, 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 33-23-203, MCA, is amended to read:

"33-23-203. Limitation of liability under motor vehicle liability policy. (1) Unless a motor vehicle liability policy specifically provides otherwise, the limits of insurance coverage available under each part of the policy must be determined as follows, regardless of the number of motor vehicles insured under the policy, the number of policies issued by the same company covering the insured, or the number of separate premiums paid:

(a) the limits of insurance coverages available for any one accident are the limits specified for each coverage available under the policy insuring the motor vehicle involved in the accident;

(b) if the motor vehicle involved in the accident is not insured under a policy, the limits of the insurance coverages available for any one accident are the highest limits of the coverages specified under one policy for one motor vehicle insured under that policy; and

(c) the limits of the coverages specified under one policy or under more than one policy issued by the same company may not be added together to determine the limits of insurance coverages available under the policy or policies for any one accident if the premiums charged for the coverage by the insurer actuarially reflect the limiting of coverage to a single vehicle and the premium rates have been filed with the commissioner.

(2) A motor vehicle liability policy may also provide for other reasonable limitations, exclusions, reductions of coverage, or subrogation clauses that are designed to prevent duplicate payments for the same element of loss under the motor vehicle liability policy or under another casualty policy that provides coverage for an injury that necessitates damages or benefit payments or to prevent the adding together of insurance

coverage limits in one policy or from more than one policy issued by the same company.

(3) An insurer that charges a premium for a specified coverage shall clearly inform or notify the insured in writing of the limits of the coverage with respect to the premium charged and whether the coverage from one policy or motor vehicle may be added to the coverage of another policy or motor vehicle.

(4) The provisions of this section do not apply to an insurance policy that contains a provision offsetting its uninsured or underinsured motorist limits against liability limits available to a policyholder from a third party.

~~(4)(5) Nothing in this~~ This section is not intended to create coverage for a motor vehicle that would otherwise be uninsured."

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

NEW SECTION. Section 3. Applicability. [This act] applies to motor insurance policies issued or renewed on or after [the effective date of this act].

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