

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



MIKE COONEY
LT. GOVERNOR

April 10, 2019

The Honorable Greg Hertz
Speaker of the House
State Capitol
Helena, MT 59601

The Honorable Scott Sales
President of the Senate
State Capitol
Helena, MT 59601

Dear Speaker Hertz and President Sales:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill 74 (HB 74), "AN ACT GENERALLY REVISING LAWS RELATED TO REMEDIES THAT MAY BE SOUGHT BY THE MONTANA STATE AUDITOR; CLARIFYING REMEDIES REGARDING PRIVATE RIGHTS OF ACTION; ALLOWING RESTITUTION FOR INSURANCE CONSUMERS; AMENDING SECTIONS 33-1-317, 33-1-1211, 33-1-1302, 33-17-502, 33-17-1001, 33-18-233, 33-19-405, 33-20-805, 33-20-806, 33-22-115, AND 33-38-108, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

HB 74 is an attempt to clarify the Commissioner of Securities and Insurance (Commissioner) authority to seek and order restitution for victims of misconduct by insurance companies. Restitution deters bad conduct and is an important tool for helping consumers recover.

Unfortunately, the bill stops short of providing Montana insurance consumers the complete protections they need. It is important to remember that restitution may not be the only remedy available to consumers harmed by an insurance company. A consumer may pursue these other remedies on their own, without the assistance of a state agency. To protect consumers, the law must be clear that when the Commissioner orders restitution, the Commissioner does not—and may not—waive a consumer's other remedies under the law.

I proposed this simple but critical amendment to protect Montana consumers, and it was rejected by the legislature. Without this protection, HB 74 creates a risk of harm by potentially limiting the remedies a consumer may seek. The Commissioner should not have the authority to waive a consumer's right to other remedies when ordering restitution.

Speaker Hertz and President Sales
April 10, 2019
Page 2

For these reasons, I veto HB 74.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Bullock", with a long horizontal flourish extending to the right.

STEVE BULLOCK
Governor

cc: Legislative Services Division
Secretary Cory Stapleton