

HOUSE BILL NO. 562

INTRODUCED BY B. GRUBBS

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING MOTOR VEHICLE INSURANCE LIABILITY POLICY COVERAGE REQUIREMENTS; PROHIBITING CERTAIN COMBINATIONS OF INSURANCE COVERAGE; AND AMENDING SECTION 33-23-203, MCA."

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 uninsured motorist, underinsured motorist, and medical payment 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 separately to the vehicles covered by the policy and the premium rates have been filed with the commissioner; and

(d) for any one accident, only the third-party liability coverage limit listed for the motor vehicle involved in the accident is available for that accident. Separate third-party liability coverage limits listed for any other vehicles insured under the same policy or other policies issued by the same insurer and covering the same insured may not be combined, multiplied, added, or stacked together with the third-party liability coverage limit listed for the vehicle involved in the accident.

(2) A motor vehicle liability policy may also provide for other reasonable limitations, exclusions,

1 reductions of coverage, or subrogation clauses that are designed to prevent duplicate payments for the same
2 element of loss under the motor vehicle liability policy or under another casualty policy that provides coverage
3 for an injury that necessitates damages or benefit payments or to prevent the adding together of insurance
4 coverage limits in one policy or from more than one policy issued by the same company.

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

8 (4) This section is not intended to create coverage for a motor vehicle that would otherwise be
9 uninsured."

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