

1 HOUSE BILL NO. 453

2 INTRODUCED BY S. GALLOWAY, K. BOGNER, G. HERTZ, S. HINEBAUCH, D. BARTEL, D. BEDEY, M.
 3 BINKLEY, L. BREWSTER, N. DURAM, P. FIELDER, F. GARNER, S. GIST, S. GUNDERSON, E. HILL, J.
 4 KASSMIER, C. KNUDSEN, D. LENZ, B. LER, D. LOGE, M. MALONE, R. MARSHALL, F. NAVE, M. NOLAND,
 5 J. SCHILLINGER, L. SHELDON-GALLOWAY, B. TSCHIDA, S. VINTON, R. WHITEMAN PENA, K. WHITMAN

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 7 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING INSURANCE LAWS RELATED TO TELEMATICS
 8 AGREEMENTS; ALLOWING AN INSURER TO SET INSURANCE RATES BASED ON TELEMATICS DATA;
 9 ALLOWING TERMINATION OF A TELEMATICS AGREEMENT BY THE TERMS OF THE AGREEMENT; AND
 10 AMENDING SECTION 33-23-223, MCA."

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

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 14 **Section 1.** Section 33-23-223, MCA, is amended to read:

15 **"33-23-223. Insurer obligations for telematics agreement -- termination.** (1) An insurer may
 16 provide ~~a benefit~~ an opportunity to a policyholder ~~for participating~~ to participate in a telematics agreement.

17 (2) Except as provided in subsection (4), an insurer may not cancel, refuse to issue, or refuse to
 18 renew a motor vehicle insurance policy solely because a policyholder refuses to:

19 (a) enter into or consent to a telematics agreement; or

20 (b) provide access to recorded data from a recording device.

21 (3) An insurer:

22 (a) may not reduce coverage, increase a premium, place in a less favorable rate tier, or deny a claim
 23 to a policyholder if the policyholder refuses to enter into or consent to a telematics agreement, except as
 24 provided in subsection (4) or (7); and

25 (b) may not, based ~~upon~~ solely on analysis of recorded data collected in connection with the
 26 telematics agreement, ~~reduce coverage, increase a premium, place in a less favorable rate tier, deny a claim,~~
 27 or reduce or refuse to provide ~~a benefit~~ insurance coverage to a policyholder, except as provided in subsections
 28 (4), (5), and (7).

1 (4) Subsections (2) and (3) do not apply to a motor vehicle insurance policy:

2 (a) based upon the policyholder driving a minimum or maximum number of miles or driving within a
3 certain range of miles; and

4 (b) that requires a policyholder to use a recording device for purposes of determining mileage.

5 (5) An insurer may adjust ~~the benefit provided under subsection (1)~~ a premium to the extent that an
6 analysis of the recorded data collected through the telematics agreement accurately represents the
7 policyholder's driving habits.

8 (6) An insurer offering a telematics agreement shall offer all its policyholders under that policy type an
9 equal opportunity to enter into a telematics agreement except to the extent the recording device used under the
10 telematics agreement is not compatible with the motor vehicle of the policyholder.

11 (7) ~~(a)~~ An insurer may terminate a telematics agreement and any associated benefit if a policyholder
12 materially fails to comply with a term of the telematics agreement.

13 ~~(b) Termination of a telematics agreement and any associated benefit under this subsection (7) does~~
14 ~~not constitute a midterm premium increase as provided in 33-15-1108.~~

15 (8) An insurer shall terminate a telematics agreement ~~and any associated benefit~~ upon the request of
16 the policyholder according to the terms of the telematics agreement.

17 (9) Termination of a telematics agreement under subsection (7) or (8) does not constitute a midterm
18 premium increase as provided in 33-15-1108."

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