HOUSE BILL NO. 182
INTRODUCED BY D. LOGE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISION INSURANCE LAWS RELATED TO VOLUNTARY
TELEMATICS AGREEMENTS; ALLOWING AN INSURER TO SET INSURANCE RATES BASED ON
TELEMATICS DATA; ALLOWING THE TERMINATION OF A TELEMATICS AGREEMENT BY THE TERMS
OF THE AGREEMENT; AND AMENDING SECTIONS 33-23-222 AND 33-23-223, MCA."

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

SECTION 1. Section 33-23-222, MCA, is amended to read:
"33-23-222. Telematics agreement disclosures. (1) A telematics agreement must be signed by the
policyholder.
(2) A telematics agreement must disclose the following:
(a) if the insurer or a third party designated by the insurer provides the recording device, the
categories of recorded data the recording device is capable of collecting, storing, or transmitting;
(b) the identification of any third party that may collect, store, transmit, or receive the recorded data in
relation to the terms of the telematics agreement;
(c) the categories of recorded data that may be collected, stored, or transmitted;
(d) the purposes for which the insurer or a third party may use the recorded data;
(e) the length of time the insurer or third party may collect, store, transmit, or otherwise retain the
data; and
(f) the terms of any benefit premium adjustment associated with the telematics agreement."

Section 2. Section 33-23-223, MCA, is amended to read:
"33-23-223. Insurer obligations for telematics agreement -- termination. (1) An insurer may
provide a benefit to an opportunity for a policyholder for participating to participate in a telematics agreement.
(2) Except as provided in subsection (4), an insurer may not cancel, refuse to issue, or refuse to
renew a motor vehicle insurance policy solely because a policyholder refuses to:

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

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

(3) An insurer:

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

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

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

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

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

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

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

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

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

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

(9) Termination of a telematics agreement under subsections (7) and (8) does not constitute a
midterm premium increase as provided in 33-15-1108.

DATA COLLECTED THROUGH A TELEMATICS AGREEMENT MAY NOT BE USED TO JUSTIFY A MIDTERM PREMIUM INCREASE PURSUANT TO 33-15-1108(1)(B). “

- END -