

HOUSE BILL NO. 182

INTRODUCED BY D. LOGE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING 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 SECTION 33-23-223, MCA."

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

Section 1. 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 upon 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 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



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

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

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

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

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

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

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

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