

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~~ 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

1 renew a motor vehicle insurance policy solely because a policyholder refuses to:

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

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

4 (3) An insurer:

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

8 (b) may not, based ~~upon~~ solely on analysis of recorded data collected in connection with the
9 telematics agreement, ~~reduce coverage, increase a premium, place in a less favorable rate tier, deny a claim,~~
10 or reduce or refuse to provide ~~a benefit~~ insurance coverage to a policyholder, except as provided in subsections
11 (4), (5), and (7).

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

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

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

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

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

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

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

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

28 (9) Termination of a telematics agreement under subsections (7) and (8) does not constitute a

1 midterm premium increase as provided in 33-15-1108.

2 (10) DATA COLLECTED THROUGH A TELEMATICS AGREEMENT MAY NOT BE USED TO JUSTIFY A MIDTERM

3 PREMIUM INCREASE PURSUANT TO 33-15-1108(1)(B)."

4 - END -