

## 1 HOUSE BILL NO. 453

2 INTRODUCED BY S. GALLOWAY

3

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

8

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

10

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

12 **"33-23-223. Insurer obligations for telematics agreement -- termination.** (1) An insurer may  
13 provide ~~a benefit~~ an opportunity to a policyholder ~~for participating to participate~~ in a telematics agreement.

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

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

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

18 (3) An insurer:

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

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

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

27 (a) based upon the policyholder driving a minimum or maximum number of miles or driving within a  
28 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 an  
3 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 an  
6 equal opportunity to enter into a telematics agreement except to the extent the recording device used under the  
7 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 policyholder  
9 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 the request of  
13 the policyholder according to the terms of the telematics agreement.

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

16 - END -