

1 *Senate* BILL NO. 48  
 2 INTRODUCED BY LYNCH  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT AN AUTO  
 5 LIABILITY INSURER MAY NOT REFUSE TO RENEW AN INSURANCE  
 6 POLICY EXCEPT FOR NONPAYMENT OF PREMIUM OR SUSPENSION OR  
 7 REVOCATION OF A DRIVER'S LICENSE; AMENDING SECTION 40-4409,  
 8 R.C.M. 1947."  
 9

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

11 Section 1. Section 40-4409, R.C.M. 1947, is amended to  
 12 read as follows:

13 "40-4409. Advance notice required for nonrenewal --  
 14 exceptions -- exemptions. No insurer shall fail to renew a  
 15 policy unless it shall mail or deliver to the named insured,  
 16 at the address shown in the policy, at least thirty (30)  
 17 days' advance notice of its intention not to renew. Such  
 18 notice shall contain or be accompanied by a statement that  
 19 upon written request made not later than one (1) month  
 20 following the termination date of the policy of the named  
 21 insured mailed or delivered to the insurer, the insurer will  
 22 notify the insured in writing, within fifteen (15) days of  
 23 his request, the reason or reasons for such nonrenewal;  
 24 provided, however, that notwithstanding the failure of an  
 25 insurer to comply with this section, the policy shall

1 terminate on the effective date of any other replacement or  
 2 succeeding automobile liability insurance policy procured by  
 3 the insured, with respect to any automobile designated in  
 4 both policies. This section shall not apply where the named  
 5 insured has failed to discharge when due any of his  
 6 obligations in connection with the payment of premiums for  
 7 the policy, or the renewal thereof, or any installment  
 8 payments therefor, whether payable directly to the insurer  
 9 or its agent or indirectly under any premium finance plan or  
 10 extension of credit. This section shall not apply in any of  
 11 the following cases:

12 (a) If the insurer has manifested its willingness to  
 13 renew.

14 (b) In case of nonpayment of premium; provided that,  
 15 notwithstanding the failure of an insurer to comply with  
 16 this section, the policy shall terminate on the effective  
 17 date of any other insurance policy with respect to any  
 18 automobile designated in both policies.

19 (c) If the insured's agent or broker has secured other  
 20 coverage acceptable to the insured at least twenty (20) days  
 21 prior to the anniversary date of the policy or termination  
 22 of the policy period.

23 Renewal of a policy shall not constitute a waiver or  
 24 estoppel with respect to grounds for cancellation which  
 25 existed before the effective date of such renewal.

1       A notice of nonrenewal of a policy under this section  
2       is effective only when based on one or more of the reasons  
3       listed in section 40-4407(1)."

-End-

Approved by Committee  
on Judiciary

SENATE BILL NO. 48  
INTRODUCED BY LYNCH

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT AN AUTO LIABILITY INSURER MAY NOT REFUSE TO RENEW AN INSURANCE POLICY EXCEPT FOR NONPAYMENT OF PREMIUM OR SUSPENSION OR REVOCATION OF A DRIVER'S LICENSE; AMENDING SECTION 40-4409, R.C.M. 1947."

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terminate on the effective date of any other replacement or succeeding automobile liability insurance policy procured by the insured, with respect to any automobile designated in both policies. This section shall not apply where the named insured has failed to discharge when due any of his obligations in connection with the payment of premiums for the policy, or the renewal thereof, or any installment payments therefor, whether payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit. This section shall not apply in any of the following cases:

(a) If the insurer has manifested its willingness to renew.

(b) In case of nonpayment of premium; provided that, notwithstanding the failure of an insurer to comply with this section, the policy shall terminate on the effective date of any other insurance policy with respect to any automobile designated in both policies.

(c) If the insured's agent or broker has secured other coverage acceptable to the insured at least twenty (20) days prior to the anniversary date of the policy or termination of the policy period.

Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.

1       A notice of nonrenewal of a policy under this section,  
2       WHICH POLICY HAS A TERM OF LESS THAN SIX (6) MONTHS, is  
3       effective only when based on one or more of the reasons  
4       listed in section 40-4407(1)."

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THIRD READING

1        A notice of nonrenewal of a policy under this section,  
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REFERENCE BILL

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