

House Bill 802

In The House

February 17, 1981

Introduced and referred
to Committee on Business
and Industry.

April 23, 1981

Died in Committee.

1 HOUSE BILL NO. 802
 2 INTRODUCED BY Monahan Daily Harrington
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR MOTOR
 5 VEHICLE LIABILITY COVERAGE OF PERSONS, WITHOUT REGARD TO THE
 6 MOTOR VEHICLES OWNED OR OPERATED BY THE INSURED; AMENDING
 7 SECTION 61-6-103, MCA."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 ~~NEW SECTION.~~ Section 1. Motor vehicle liability
 11 policy to cover person, without regard to vehicles. (1)
 12 Notwithstanding any provision of law to the contrary, an
 13 insurance carrier transacting business in the state shall
 14 issue motor vehicle liability policies to or for the benefit
 15 of the person or persons named therein as insured without
 16 regard to the motor vehicles owned or operated by the
 17 insured.

18 (2) A policy of motor vehicle liability insurance
 19 shall insure the person or persons named therein who operate
 20 any motor vehicle, with the express or implied permission of
 21 the owner, against loss from the liability imposed by law
 22 upon such operator for damages arising out of the use by him
 23 of any such motor vehicle.

24 Section 2. Section 61-6-103, MCA, is amended to read:

25 "61-6-103. Motor vehicle liability policy defined. (1)

1 A "motor vehicle liability policy" as said term is used in
 2 this part shall mean an owner's or operator's policy of
 3 liability insurance, certified as provided in 61-6-133 or
 4 61-6-134 as proof of financial responsibility and issued,
 5 except as otherwise provided in 61-6-134, by an insurance
 6 carrier duly authorized to transact business in this state,
 7 to or for the benefit of the person named therein as
 8 insured.

9 (2) Such owner's policy of liability insurance shall*
 10 ~~(a) designate by explicit description or by~~
 11 ~~appropriate reference all motor vehicles with respect to~~
 12 ~~which coverage is thereby to be granted; and~~

13 (b) insure the person named therein and any other
 14 person, as insured, using any such motor vehicle or motor
 15 vehicles with the express or implied permission of such
 16 named insured the owner, against loss from the liability
 17 imposed by law for damages arising out of the ownership,
 18 maintenance, or use of such motor vehicle or motor vehicles
 19 within the United States of America or the Dominion of
 20 Canada, subject to limits exclusive of interest and costs,
 21 with respect to each such motor vehicle, as follows:

22 ~~+++~~(a) \$25,000 because of bodily injury to or death of
 23 one person in any one accident and subject to said limit for
 24 one person;

25 ~~+++~~(b) \$50,000 because of bodily injury to or death of

1 two or more persons in any one accident; and
 2 ~~{1}{1}~~{C1} \$5,000 because of injury to or destruction of
 3 property of others in any one accident.

4 ~~{3}--Such--operator's--policy--of--liability--insurance~~
 5 ~~shall--insure--the--person--named--as--insured--therein--against~~
 6 ~~loss--from--the--liability--imposed--upon--him--by--law--for--damages~~
 7 ~~arising--out--of--the--use--by--him--of--any--motor--vehicle--not--owned~~
 8 ~~by--him--within--the--same--territorial--limits--and--subject--to~~
 9 ~~the--same--limits--of--liability--as--are--set--forth--above--with~~
 10 ~~respect--to--an--owner's--policy--of--liability--insurances~~

11 ~~{4}{3}~~ Such motor vehicle liability policy shall state
 12 the name and address of the named insured, the coverage
 13 afforded by the policy, the premium charged therefor, the
 14 policy period, and the limits of liability and shall contain
 15 an agreement or be endorsed that insurance is provided
 16 thereunder in accordance with the coverage defined in this
 17 part as respects bodily injury and death or property damage,
 18 or both, and is subject to all the provisions of this part.

19 ~~{5}{4}~~ Such motor vehicle liability policy need not
 20 insure any liability under any workers' compensation law or
 21 any liability on account of bodily injury to or death of an
 22 employee of the insured while engaged in the employment,
 23 other than domestic, of the insured or while engaged in the
 24 operation, maintenance, or repair of any such motor vehicle
 25 or any liability for damage to property owned by, rented to,

1 in charge of, or transported by the insured.

2 ~~{6}{5}~~ Every motor vehicle liability policy shall be
 3 subject to the following provisions which need not be
 4 contained therein:

5 (a) The liability of the insurance carrier with
 6 respect to the insurance required by this part shall become
 7 absolute whenever injury or damage covered by said motor
 8 vehicle liability policy occurs. Said policy may not be
 9 canceled or annulled as to such liability by any agreement
 10 between the insurance carrier and the insured after the
 11 occurrence of the injury or damage. No statement made by
 12 the insured or on his behalf and no violation of said policy
 13 shall defeat or void said policy.

14 (b) The satisfaction by the insured of a judgment for
 15 such injury or damage shall not be a condition precedent to
 16 the right or duty of the insurance carrier to make payment
 17 on account of such injury or damage.

18 (c) The insurance carrier shall have the right to
 19 settle any claim covered by the policy, and if such
 20 settlement is made in good faith, the amount thereof shall
 21 be deductible from the limits of liability specified in
 22 subsection (2)(b) of this section.

23 (d) The policy, the written application therefor, if
 24 any, and any rider or endorsement which does not conflict
 25 with the provisions of the part shall constitute the entire

1 contract between the parties.

2 ~~(7)~~(6) No motor vehicle policy shall be subject to
3 cancellation, termination, or premium increase, due to
4 injury or damage incurred by the insured or operator unless
5 the insured or operator be found to have violated a traffic
6 law or ordinance of the state or a city, be found negligent
7 or contributorily negligent in a court of law, or by the
8 arbitration proceedings contained in chapter 5 of Title 27,
9 or pays damages to another party whether by settlement or
10 otherwise. In no event may a premium be increased during the
11 term of the policy unless there is a change in exposure.

12 ~~(8)~~(7) Any policy which grants the coverage required
13 for a motor vehicle liability policy may also grant any
14 lawful coverage in excess of or in addition to the coverage
15 specified for a motor vehicle liability policy and such
16 excess or additional coverage shall not be subject to the
17 provisions of this part. With respect to a policy which
18 grants such excess or additional coverage the term "motor
19 vehicle liability policy" shall apply only to that part of
20 the coverage which is required by this section.

21 ~~(9)~~(8) Any motor vehicle liability policy may provide
22 that the insured shall reimburse the insurance carrier for
23 any payment the insurance carrier would not have been
24 obligated to make under the terms of the policy except for
25 the provisions of this part.

1 ~~(10)~~(9) Any motor vehicle liability policy may provide
2 for the prorating of the insurance thereunder with other
3 valid and collectable insurance.

4 ~~(11)~~(10) The requirements for a motor vehicle liability
5 policy may be fulfilled by the policies of one or more
6 insurance carriers which policies together meet such
7 requirements.

8 ~~(12)~~(11) Any binder issued pending the issuance of a
9 motor vehicle liability policy shall be deemed to fulfill
10 the requirements for such a policy.

11 ~~(13)~~(12) A reduced limits endorsement shall not be
12 issued by any company to be attached to any policy issued in
13 compliance with this section."

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