HOUSE BILL NO. 278

INTRODUCED BY GRADY, THOMAS

BY REQUEST OF THE STATE AUDITOR

IN THE HOUSE

JANUARY 19, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & LABOR.
JANUARY 28, 1987	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
JANUARY 29, 1987	PRINTING REPORT.
JANUARY 30, 1987	SECOND READING, DO PASS.
JANUARY 31, 1987	ENGROSSING REPORT.
	THIRD READING, PASSED.
	TRANSMITTED TO SENATE.
IN THE SENATE	
FEBRUARY 2, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
MARCH 4, 1987	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 6, 1987	SECOND READING, CONCURRED IN.
MARCH 9, 1987	THIRD READING, CONCURRED IN. AYES, 50; NOES, 0.
	RETURNED TO HOUSE.
I	N THE HOUSE
MARCH 10, 1987	RECEIVED FROM SENATE.

SENT TO ENROLLING.

INTRODUCED BY Sund Juana 1 2 3 BY REQUEST OF THE STATE AUDITOR

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A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE AN INSURER WHO CANCELS A MOTOR VEHICLE POLICY FOR NONPAYMENT OF A PREMIUM TO PROCESS THE CANCELLATION ON A PRO RATA BASIS AND TO RETURN THE GROSS UNEARNED PREMIUM TO THE INSURED."

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

Section 1. Return of unearned premiums. If an insurer cancels a motor vehicle policy covering a commercial or private motor vehicle for nonpayment of a premium, the insurer shall process the cancellation on a pro rata basis. The insurer shall return whatever gross unearned premium is due under the motor vehicle policy to the insured. For purposes of this section, the term "unearned premium" means that part of the original premium, including deposits, not yet earned by the insurer and therefore due the insured if the policy is canceled.

Section 2. Extension of authority. Any authority of the department of insurance to make rules on the subject of the provisions of this act is extended to the provisions of this act.

Section 3. Codification instruction. Section 1 is



- intended to be codified as an integral part of Title 33,
- chapter 23, part 2, and the provisions of Title 33, chapter
- 23, part 2, apply to section 1.

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APPROVED BY COMM. ON BUSINESS AND LABOR

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