

HOUSE BILL 221

Introduced by Menahan, et al.

1/17	Introduced
1/17	Referred to Business & Economic Development
1/24	Hearing
1/26	Committee Report--Bill Not Passed
1/27	Adverse Committee Report Rejected
1/28	Taken from 2nd Reading
1/28	Rereferred to Business & Economic Development
2/21	Committee Report--Bill Passed as Amended
2/21	2nd Reading Do Pass Motion Failed

1 *House* BILL NO. *221*
 2 INTRODUCED BY *Monahan Patrick Quisler Whalen*
 3 *Hand*

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 SECTIONS 33-23-201, 33-23-203, AND 61-6-103, MCA; AND
 8 PROVIDING AN APPLICABILITY DATE."

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

11 NEW SECTION. Section 1. Motor vehicle liability
 12 policy to cover person without regard to ownership of
 13 vehicles. (1) An insurance carrier transacting business in
 14 this state shall issue a motor vehicle liability policy, as
 15 defined in 61-6-103, to or for the benefit of the person or
 16 persons named in the policy as insured without regard to the
 17 motor vehicles owned or operated by the insured.

18 (2) A policy of motor vehicle liability insurance must
 19 insure the person or persons named in the policy when
 20 operating, with the express or implied permission of the
 21 owner, a motor vehicle, other than a motor vehicle used to
 22 transport persons or property for hire, against loss from
 23 the liability imposed by law upon the operator for damages
 24 arising out of the ownership, maintenance, or use of such
 25 motor vehicle.

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

2 "61-6-103. Motor vehicle liability policy defined. (1)
 3 A "motor vehicle liability policy" as said the term is used
 4 in this part ~~shall--mean~~ means an owner's or operator's
 5 policy of liability insurance, certified as provided in
 6 61-6-133 or 61-6-134 as proof of financial responsibility
 7 and issued, except as otherwise provided in 61-6-134, by an
 8 insurance carrier duly authorized to transact business in
 9 this state, to or for the benefit of the person or persons
 10 named therein in the policy as insured.

11 (2) Such An owner's policy of liability insurance
 12 ~~shall:~~

13 ~~{a}--designate--by--explicit--description--or--by~~
 14 ~~appropriate--reference--all--motor--vehicles--with--respect--to~~
 15 ~~which--coverage--is--thereby--to--be--granted;--and~~

16 ~~{b} must insure the person or persons named therein~~
 17 ~~and--any--other--person;--as--insured;--using--any--such in the~~
 18 ~~policy when operating a motor vehicle or motor-vehicles with~~
 19 ~~the express or implied permission of such-named-insured the~~
 20 ~~owner, other than motor vehicles used to transport persons~~
 21 ~~or property for hire, against loss from the liability~~
 22 ~~imposed by law for damages arising out of the ownership,~~
 23 ~~maintenance, or use of such motor vehicle or motor--vehicles~~
 24 ~~within the United States of America or the Dominion of~~
 25 ~~Canada, subject to limits exclusive of interest and costs,~~

with respect to each such motor vehicle, as follows:

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

(b) \$50,000 because of bodily injury to or death of two or more persons in any one accident; and

(c) \$5,000 because of injury to or destruction of property of others in any one accident.

~~(3) Such operator's policy of liability insurance shall insure the person named as insured therein against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle not owned by him, within the same territorial limits and subject to the same limits of liability as are set forth above with respect to an owner's policy of liability insurance.~~

(4)(3) Such The motor vehicle liability policy shall must state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period, and the limits of liability and shall must contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage defined in this part as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this part.

(5)(4) Such The motor vehicle liability policy need

not insure any liability under any workers' compensation law or any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured or while engaged in the operation, maintenance, or repair of ~~any~~ such a motor vehicle or any liability for damage to property owned by, rented to, in charge of, or transported by the insured.

(6)(5) Every motor vehicle liability policy shall must be subject to the following provisions which need not be contained therein:

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

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

(c) The insurance carrier shall ~~have~~ has the right to settle any claim covered by the policy, and if such the

1 settlement is made in good faith, the amount thereof shall
2 be deductible from the limits of liability specified in
3 subsection (2)(b) of this section.

4 (d) The policy, the written application therefor, if
5 any, and any rider or endorsement which does not conflict
6 with the provisions of the part ~~shall~~ constitute the entire
7 contract between the parties.

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

19 ~~†8†(7)~~ Any policy which grants the coverage required
20 for a motor vehicle liability policy may also grant any
21 lawful coverage in excess of or in addition to the coverage
22 specified for a motor vehicle liability policy and such
23 excess or additional coverage ~~shall is~~ not be subject to the
24 provisions of this part. With respect to a policy which
25 grants such excess or additional coverage, the term "motor

1 vehicle liability policy" ~~shall-apply~~ applies only to that
2 part of the coverage which is required by this section.

3 ~~†9†(8)~~ Any motor vehicle liability policy may provide
4 that the insured shall reimburse the insurance carrier for
5 any payment the insurance carrier would not have been
6 obligated to make under the terms of the policy except for
7 the provisions of this part.

8 ~~†10†(9)~~ Any motor vehicle liability policy may provide
9 for the prorating of the insurance thereunder with other
10 valid and collectable insurance.

11 ~~†11†(10)~~ The requirements for a motor vehicle liability
12 policy may be fulfilled by the policies of one or more
13 insurance carriers which policies together meet such the
14 requirements.

15 ~~†12†(11)~~ Any binder issued pending the issuance of a
16 motor vehicle liability policy ~~shall-be-deemed~~ is considered
17 to fulfill the requirements for such a policy.

18 ~~†13†(12)~~ A reduced limits endorsement ~~shall may~~ not be
19 issued by any company to be attached to any policy issued in
20 compliance with this section."

21 **Section 3.** Section 33-23-201, MCA, is amended to read:

22 **"33-23-201. Motor vehicle liability policies to**
23 **include uninsured motorist coverage -- rejection by insured.**
24 (1) No motor vehicle liability policy insuring against loss
25 resulting from liability imposed by law for bodily injury or

1 death suffered by any person arising out of the ownership,
 2 maintenance, or use of a motor vehicle may be delivered or
 3 issued for delivery in this state, ~~with respect to any motor~~
 4 ~~vehicle registered and principally garaged in this state,~~
 5 unless coverage is provided therein or supplemental thereto,
 6 in limits for bodily injury or death set forth in 61-6-103,
 7 under provisions filed with and approved by the
 8 commissioner, for the protection of persons insured
 9 thereunder who are legally entitled to recover damages from
 10 uninsured owners or operators of uninsured motor vehicles
 11 because of bodily injury, sickness, or disease, including
 12 death, resulting therefrom, caused by an accident arising
 13 out of the operation or use of such a vehicle. An uninsured
 14 owner or operator of a motor vehicle is a person owning or
 15 operating a land motor vehicle, neither the ownership, nor
 16 the maintenance, nor the use of which who is not insured or
 17 bonded for bodily injury liability at the time of the
 18 accident.

19 (2) The named insured shall have the right to reject
 20 such coverage. Unless the named insured requests such
 21 coverage in writing, such coverage need not be provided in
 22 or supplemental to a renewal policy where the named insured
 23 had rejected the coverage in connection with the policy
 24 previously issued to him by the same insurer."

25 **Section 4.** Section 33-23-203, MCA, is amended to read:

1 "33-23-203. Limitation of liability under motor
 2 vehicle liability policy. (1) Unless a motor vehicle
 3 liability policy specifically provides otherwise, the limits
 4 of insurance coverage available under any such policy,
 5 including the limits of liability under uninsured motorist
 6 coverage, must be determined as follows, regardless of the
 7 number of ~~motor vehicles~~ persons insured under the policy:

8 (a) the limit of insurance coverage available for any
 9 one accident is the limit specified for the ~~motor vehicle~~
 10 person involved in the accident; and

11 (b) ~~if no motor vehicle is insured under the policy is~~
 12 ~~involved in the accident, the limit of insurance coverage~~
 13 ~~available for any one accident is the highest limit of~~
 14 ~~coverage specified for any one motor vehicle insured under~~
 15 ~~the policy; and~~

16 (c) the limits of coverage specified for each motor
 17 vehicle person insured under the policy may not be added
 18 together to determine the limit of insurance coverage
 19 available under the policy for any one accident.

20 (2) A motor vehicle liability policy may also provide
 21 for other reasonable limitations, exclusions, or reductions
 22 of coverage which are designed to prevent duplicate payments
 23 for the same element of loss."

24 NEW SECTION. **Section 5.** Extension of authority. Any
 25 existing authority to make rules on the subject of the

1 provisions of [this act] is extended to the provisions of
2 [this act].

3 NEW SECTION. **Section 6. Codification instruction.**
4 [Section 1] is intended to be codified as an integral part
5 of Title 33, chapter 23, part 2, and the provisions of Title
6 33 apply to [section 1].

7 NEW SECTION. **Section 7. Applicability.** [This act]
8 applies to insurance policies issued on or after October 1,
9 1989.

-End-

LC 0766/01
ADVERSE COMMITTEE REPORT
-- COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT
ON MOTION, PRINTED AND
PLACED ON SECOND READING

INTRODUCED BY House BILL NO. 221
Menahan, Pauline Quaiser, Whale
Hard

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR MOTOR VEHICLE LIABILITY COVERAGE OF PERSONS WITHOUT REGARD TO THE MOTOR VEHICLES OWNED OR OPERATED BY THE INSURED; AMENDING SECTIONS 33-23-201, 33-23-203, AND 61-6-103, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

NEW SECTION. Section 1. Motor vehicle liability policy to cover person without regard to ownership of vehicles. (1) An insurance carrier transacting business in this state shall issue a motor vehicle liability policy, as defined in 61-6-103, to or for the benefit of the person or persons named in the policy as insured without regard to the motor vehicles owned or operated by the insured.

(2) A policy of motor vehicle liability insurance must insure the person or persons named in the policy when operating, with the express or implied permission of the owner, a motor vehicle, other than a motor vehicle used to transport persons or property for hire, against loss from the liability imposed by law upon the operator for damages arising out of the ownership, maintenance, or use of such motor vehicle.

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

"61-6-103. Motor vehicle liability policy defined. (1) A "motor vehicle liability policy" as ~~said~~ the term is used in this part ~~shall--mean~~ means an owner's or operator's policy of liability insurance, certified as provided in 61-6-133 or 61-6-134 as proof of financial responsibility and issued, except as otherwise provided in 61-6-134, by an insurance carrier duly authorized to transact business in this state, to or for the benefit of the person or persons named ~~therein~~ in the policy as insured.

(2) Such An owner's policy of liability insurance ~~shall:~~

~~(a)---designate---by---explicit---description---or---by appropriate---reference---all---motor---vehicles---with---respect---to which---coverage---is---thereby---to---be---granted;---and~~

~~(b) must insure the person or persons named therein and---any---other---person;---as---insured;---using---any---such in the policy when operating a motor vehicle or---motor---vehicles with the express or implied permission of such---named---insured the owner, other than motor vehicles used to transport persons or property for hire, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, or use of such motor vehicle or---motor---vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs,~~

with respect to each such motor vehicle, as follows:

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

~~+++~~(b) \$50,000 because of bodily injury to or death of two or more persons in any one accident; and

~~+++~~(c) \$5,000 because of injury to or destruction of property of others in any one accident.

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

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

~~{5}{4}~~ Such The motor vehicle liability policy need

not insure any liability under any workers' compensation law or any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured or while engaged in the operation, maintenance, or repair of ~~any--such~~ a motor vehicle or any liability for damage to property owned by, rented to, in charge of, or transported by the insured.

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

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

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

(c) The insurance carrier ~~shall--have~~ has the right to settle any claim covered by the policy, and if ~~such~~ the

1 settlement is made in good faith, the amount thereof shall
2 be deductible from the limits of liability specified in
3 subsection (2)(b) of this section.

4 (d) The policy, the written application therefor, if
5 any, and any rider or endorsement which does not conflict
6 with the provisions of the part ~~shall~~ constitute the entire
7 contract between the parties.

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

19 ~~(8)(7)~~ Any policy which grants the coverage required
20 for a motor vehicle liability policy may also grant any
21 lawful coverage in excess of or in addition to the coverage
22 specified for a motor vehicle liability policy and such
23 excess or additional coverage ~~shall is~~ not be subject to the
24 provisions of this part. With respect to a policy which
25 grants ~~such~~ excess or additional coverage, the term "motor

1 vehicle liability policy" ~~shall-apply~~ applies only to that
2 part of the coverage which is required by this section.

3 ~~(9)(8)~~ Any motor vehicle liability policy may provide
4 that the insured shall reimburse the insurance carrier for
5 any payment the insurance carrier would not have been
6 obligated to make under the terms of the policy except for
7 the provisions of this part.

8 ~~(10)(9)~~ Any motor vehicle liability policy may provide
9 for the prorating of the insurance thereunder with other
10 valid and collectable insurance.

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

15 ~~(12)(11)~~ Any binder issued pending the issuance of a
16 motor vehicle liability policy ~~shall-be-deemed~~ is considered
17 to fulfill the requirements for such a policy.

18 ~~(13)(12)~~ A reduced limits endorsement ~~shall may~~ not be
19 issued by any company to be attached to any policy issued in
20 compliance with this section."

21 **Section 3.** Section 33-23-201, MCA, is amended to read:

22 "33-23-201. Motor vehicle liability policies to
23 include uninsured motorist coverage -- rejection by insured.
24 (1) No motor vehicle liability policy insuring against loss
25 resulting from liability imposed by law for bodily injury or

death suffered by any person arising out of the ownership, maintenance, or use of a motor vehicle may be delivered or issued for delivery in this state, ~~with respect to any motor vehicle registered and principally garaged in this state,~~ unless coverage is provided therein or supplemental thereto, in limits for bodily injury or death set forth in 61-6-103, under provisions filed with and approved by the commissioner, for the protection of persons insured thereunder who are legally entitled to recover damages from uninsured owners or operators of uninsured motor vehicles because of bodily injury, sickness, or disease, including death, resulting therefrom, caused by an accident arising out of the operation or use of such a vehicle. An uninsured owner or operator of a motor vehicle is a person owning or operating a land motor vehicle, neither the ownership, nor the maintenance, nor the use of which who is not insured or bonded for bodily injury liability at the time of the accident.

(2) The named insured shall have the right to reject such coverage. Unless the named insured requests such coverage in writing, such coverage need not be provided in or supplemental to a renewal policy where the named insured had rejected the coverage in connection with the policy previously issued to him by the same insurer."

Section 4. Section 33-23-203, MCA, is amended to read:

"33-23-203. Limitation of liability under motor vehicle liability policy. (1) Unless a motor vehicle liability policy specifically provides otherwise, the limits of insurance coverage available under any such policy, including the limits of liability under uninsured motorist coverage, must be determined as follows, regardless of the number of motor vehicles persons insured under the policy:

(a) the limit of insurance coverage available for any one accident is the limit specified for the motor vehicle person involved in the accident; and

(b) ~~if no motor vehicle insured under the policy is involved in the accident, the limit of insurance coverage available for any one accident is the highest limit of coverage specified for any one motor vehicle insured under the policy; and~~

(c) the limits of coverage specified for each motor vehicle person insured under the policy may not be added together to determine the limit of insurance coverage available under the policy for any one accident.

(2) A motor vehicle liability policy may also provide for other reasonable limitations, exclusions, or reductions of coverage which are designed to prevent duplicate payments for the same element of loss."

NEW SECTION. Section 5. Extension of authority. Any existing authority to make rules on the subject of the

1 provisions of [this act] is extended to the provisions of
2 [this act].

3 NEW SECTION. **Section 6.** Codification instruction.
4 [Section 1] is intended to be codified as an integral part
5 of Title 33, chapter 23, part 2, and the provisions of Title
6 33 apply to [section 1].

7 NEW SECTION. **Section 7.** Applicability. [This act]
8 applies to insurance policies issued on or after October 1,
9 1989.

-End-

RE-REFERRED AND
APPROVED BY COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT

AS AMENDED

HOUSE BILL NO. 221

INTRODUCED BY MENAHAN, PAVLOVICH, DRISCOLL, WHALEN, HANNAH

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR OPTIONAL
MOTOR VEHICLE LIABILITY COVERAGE OF PERSONS WITHOUT REGARD
TO THE MOTOR VEHICLES OWNED OR OPERATED BY THE INSURED;
~~AMENDING SECTIONS 33-23-201, 33-23-203, AND 61-6-103, MCA,~~
AND PROVIDING AN APPLICABILITY DATE."

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

NEW SECTION. Section 1. Motor vehicle liability
policy -- OPTION to cover person without regard to ownership
of vehicles. (1) An insurance carrier transacting business
in this state ~~shall issue a~~ THAT ISSUES motor vehicle
liability ~~policy~~ POLICIES, as defined in 61-6-103, MUST
PROVIDE PROVISIONS THAT PERMIT COVERAGE to or for the
benefit of the person or persons named in the policy as
insured without regard to the motor vehicles owned or
operated by the insured.

(2) A policy of motor vehicle liability insurance THAT
PROVIDES COVERAGE FOR THE BENEFIT OF A PERSON, AS PROVIDED
IN SUBSECTION (1), must insure the person or persons named
in the policy when operating, with the express or implied
permission of the owner, a motor vehicle, other than a motor
vehicle used to transport persons or property for hire,

against loss from the liability imposed by law upon the
operator for damages arising out of the ownership,
maintenance, or use of such motor vehicle.

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

~~61-6-103. Motor vehicle liability policy defined.~~
~~(1) A "motor vehicle liability policy" as said the term is~~
~~used in this part shall mean means an owner's or operator's~~
~~policy of liability insurance, certified as provided in~~
~~61-6-133 or 61-6-134 as proof of financial responsibility~~
~~and issued, except as otherwise provided in 61-6-134, by an~~
~~insurance carrier duly authorized to transact business in~~
~~this state, to or for the benefit of the person or persons~~
~~named therein in the policy as insured.~~

~~(2) Such An owner's policy of liability insurance~~
~~shall:~~

~~(a) designate by explicit description or by~~
~~appropriate reference all motor vehicles with respect to~~
~~which coverage is thereby to be granted; and~~

~~(b) must insure the person or persons named therein~~
~~and any other person, as insured, using any such in the~~
~~policy when operating a motor vehicle or motor vehicles with~~
~~the express or implied permission of such named insured the~~
~~owner, other than motor vehicles used to transport persons~~
~~or property for hire, against loss from the liability~~
~~imposed by law for damages arising out of the ownership,~~

1 maintenance,--or-use-of-such-motor-vehicle-or-motor-vehicles
 2 within-the-United-States--of--America--or--the--Dominion--of
 3 Canada,--subject--to-limits-exclusive-of-interest-and-costs,
 4 with-respect-to-each-such-motor-vehicle,--as-follows:

5 {i}{a)--\$25,000--because-of-bodily-injury-to-or-death-of
 6 one-person-in-any-one-accident-and-subject-to-said the limit
 7 for-one-person;

8 {ii}{b)--\$50,000--because-of-bodily-injury-to--or--death
 9 of-two-or-more-persons-in-any-one-accident,--and

10 {iii}{c)--\$5,000--because-of-injury-to-or-destruction-of
 11 property-of-others-in-any-one-accident;

12 {3)--Such--operator's--policy--of--liability--insurance
 13 shall-insure-the-person-named--as--insured--therein--against
 14 loss--from-the-liability-imposed-upon-him-by-law-for-damages
 15 arising-out-of-the-use-by-him-of-any-motor-vehicle-not-owned
 16 by-him,--within-the-same-territorial-limits--and--subject--to
 17 the--same--limits--of--liability-as-are-set-forth-above-with
 18 respect-to-an-owner's-policy-of-liability-insurance;

19 {4}{3)--Such The motor-vehicle-liability--policy shall
 20 must state--the--name-and-address-of-the-named-insured,--the
 21 coverage--afforded--by--the--policy,--the--premium--charged
 22 therefor,--the-policy-period,--and-the-limits-of-liability-and
 23 shall must contain--an-agreement--or--be--endorsed--that
 24 insurance-is-provided--thereunder--in--accordance--with--the
 25 coverage--defined-in-this-part-as-respects-bodily-injury-and

1 death-or-property-damage,--or-both,--and-is-subject-to-all-the
 2 provisions-of-this-part;

3 {5){4)--Such The motor-vehicle--liability--policy--need
 4 not-insure-any-liability-under-any-workers'-compensation-law
 5 or--any-liability-on-account-of-bodily-injury-to-or-death-of
 6 an-employee-of-the-insured-while-engaged-in-the--employment,
 7 other--than-domestic,--of-the-insured-or-while-engaged-in-the
 8 operation,--maintenance,--or--repair--of--any--such a motor
 9 vehicle--or--any--liability-for-damage-to-property-owned-by,
 10 rented-to,--in-charge-of,--or-transported-by-the-insured;

11 {6){5)--Every-motor-vehicle-liability-policy shall must
 12 be-subject-to-the-following-provisions--which--need--not--be
 13 contained-therein;

14 {a)--The--liability--of--the--insurance--carrier--with
 15 respect-to-the-insurance-required-by-this-part shall-become
 16 becomes absolute--whenever-injury-or-damage-covered-by-said
 17 the motor-vehicle-liability-policy-occurs. Said The policy
 18 may--not-be-canceled-or-annulled-as-to such the liability-by
 19 any-agreement-between-the-insurance-carrier-and-the--insured
 20 after--the-occurrence-of-the-injury-or-damage,--No-statement
 21 made-by-the-insured-or-on-his-behalf--and--no--violation--of
 22 said the policy shall may defeat-or-void-said the policy;

23 {b)--The--satisfaction-by-the-insured-of-a-judgment-for
 24 such-injury-or-damage shall may not-be-a-condition-precedent
 25 to-the-right-or--duty--of--the--insurance--carrier--to--make

1 payment-on-account-of-such-injury-or-damage;

2 (c)--The--insurance-carrier shall have has the right to
3 settle any claim covered by the policy,--and--if such the
4 settlement--is--made-in-good-faith, the amount thereof shall
5 be deductible from the--limits--of--liability--specified--in
6 subsection-(2)(b) of this section;

7 (d)--The--policy,--the-written-application-therefor,--if
8 any,--and--any-rider-or-endorsement-which--does--not--conflict
9 with--the-provisions-of-the-part shall constitute the entire
10 contract-between-the-parties;

11 (f)(6)--No-motor-vehicle-policy shall be is subject--to
12 cancellation,--termination,--or--premium--increase, due--to
13 injury-or-damage-incurred-by-the-insured or operator unless
14 the--insured--or--operator--be is found-to-have-violated-a
15 traffic-law-or-ordinance-of-the-state-or-a-city, be is found
16 negligent-or-contributorily-negligent-in-a-court-of-law, or
17 by--the--arbitration--proceedings--contained-in-chapter-5-of
18 Title-27,--or--pays--damages--to--another--party--whether--by
19 settlement--or--otherwise,--In--no--event--may--a-premium-be
20 increased-during-the-term-of-the-policy-unless--there--is--a
21 change-in-exposure;

22 (8)(7)--Any--policy--which-grants-the-coverage-required
23 for-a-motor-vehicle-liability--policy--may--also--grant--any
24 lawful--coverage-in-excess-of-or-in-addition-to-the-coverage
25 specified-for-a-motor--vehicle--liability--policy--and--such

1 excess-or-additional-coverage shall is not be subject to the
2 provisions--of--this--part.--With--respect-to-a-policy-which
3 grants such excess-or-additional-coverage, the term--"motor
4 vehicle--liability--policy"--shall apply applies only to that
5 part-of-the-coverage-which-is-required-by-this-section;

6 (9)(8)--Any-motor-vehicle-liability-policy-may--provide
7 that--the--insured-shall-reimburse-the-insurance-carrier-for
8 any-payment--the--insurance--carrier--would--not--have--been
9 obligated--to--make-under-the-terms-of-the-policy-except-for
10 the-provisions-of-this-part;

11 (10)(9)--Any-motor-vehicle-liability-policy-may-provide
12 for-the-prorating-of-the--insurance--thereunder--with--other
13 valid-and-collectable-insurance;

14 (11)(10)--The-requirements-for-a-motor-vehicle-liability
15 policy--may--be--fulfilled--by--the--policies-of-one-or-more
16 insurance-carriers-which-policies--together--meet such the
17 requirements;

18 (12)(11)--Any-binder--issued--pending-the-issuance-of-a
19 motor-vehicle-liability-policy-shall-be-deemed is-considered
20 to-fulfill-the-requirements-for-such-a-policy;

21 (13)(12)--A-reduced-limits-endorsement-shall may not--be
22 issued-by-any-company-to-be-attached-to-any-policy-issued-in
23 compliance-with-this-section."

24 **Section 3.** Section 33-23-201, MCA, is amended to read:

25 "33-23-201.--Motor---vehicle---liability---policies--to

include uninsured-motorist-coverage---rejection-by-insured:
 (1)-No-motor-vehicle-liability-policy-insuring-against--loss
 resulting-from-liability-imposed-by-law-for-bodily-injury-or
 death--suffered--by-any-person-arising-out-of-the-ownership,
 maintenance, or use-of-a-motor-vehicle-may-be--delivered--or
 issued-for-delivery-in-this-state, with-respect-to-any-motor
 vehicle--registered--and--principally-garaged-in-this-state,
 unless-coverage-is-provided-therein-or-supplemental-thereto,
 in-limits-for-bodily-injury-or-death-set-forth-in--61-6-103,
 under---provisions---filed---with---and---approved---by--the
 commissioner,--for--the--protection---of---persons---insured
 thereunder--who-are-legally-entitled-to-recover-damages-from
uninsured owners-or-operators-of--uninsured motor--vehicles
 because--of--bodily--injury, sickness, or-disease, including
 death, resulting-therefrom, caused-by--an--accident--arising
 out--of-the-operation-or-use-of such a vehicle. An-uninsured
 owner-or-operator-of-a motor-vehicle-is a-person--owning--or
 operating a--land-motor-vehicle, neither-the-ownership, nor
 the-maintenance, nor-the-use-of-which who is not insured--or
 bonded--for--bodily--injury--liability--at--the--time-of-the
 accident.

(2)--The-named-insured-shall-have-the-right--to--reject
 such--coverage,---Unless--the--named--insured--requests-such
 coverage-in-writing, such-coverage-need-not-be-provided--in
 or--supplemental-to-a-renewal-policy-where-the-named-insured

had-rejected-the-coverage--in--connection--with--the--policy
 previously-issued-to-him-by-the-same-insurer."

Section 4.--Section 33-23-203, MCA, is amended to read:

"33-23-203.---Limitation---of---liability---under--motor
 vehicle--liability--policy.---(1)---Unless--a--motor--vehicle
 liability-policy-specifically-provides-otherwise, the-limits
 of--insurance--coverage--available--under--any--such-policy,
 including-the-limits-of-liability-under--uninsured--motorist
 coverage,--must--be-determined-as-follows, regardless-of-the
 number-of motor-vehicles persons insured-under--the--policy:

(a)--the--limit-of-insurance-coverage-available-for-any
 one-accident-is-the-limit-specified-for--the motor--vehicle
person involved-in-the-accident; and

(b)--if--no--motor--vehicle-insured-under-the-policy-is
 involved-in-the-accident, the-limit--of--insurance--coverage
 available--for--any--one--accident--is--the-highest-limit-of
 coverage-specified-for-any-one-motor-vehicle--insured--under
 the-policy,--and

(c)--the--limits--of--coverage-specified-for-each motor
 vehicle person insured-under-the-policy--may--not--be--added
 together--to--determine--the--limit--of--insurance--coverage
 available-under-the-policy-for-any-one-accident.

(2)--A-motor-vehicle-liability-policy-may-also--provide
 for--other-reasonable-limitations, exclusions, or-reductions
 of-coverage-which-are-designed-to-prevent-duplicate-payments

1 ~~for-the-same-element-of-loss,"~~

2 NEW SECTION. **Section 2.** Extension of authority. Any
3 existing authority to make rules on the subject of the
4 provisions of [this act] is extended to the provisions of
5 [this act].

6 NEW SECTION. **Section 3.** Codification instruction.
7 [Section 1] is intended to be codified as an integral part
8 of Title 33, chapter 23, part 2, and the provisions of Title
9 33 apply to [section 1].

10 NEW SECTION. **Section 4.** Applicability. [This act]
11 applies to insurance policies issued on or after October 1,
12 1989.

-End-