

1 HOUSE BILL NO. 103

2 INTRODUCED BY BOOKOUT-REINICKE

3 BY REQUEST OF THE STATE AUDITOR

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT SPECIFYING THE ORDER OF LIABILITY AMONG PROPERTY OR
6 CASUALTY INSURERS AND DISABILITY INSURERS FOR PAYMENT OF MEDICAL CLAIMS TO THE SAME
7 INSURED ARISING FROM THE SAME OCCURRENCE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE
8 AND A RETROACTIVE APPLICABILITY DATE."

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

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12 **NEW SECTION. Section 1. Order of payment among insurers for payment of medical claims. (1)**

13 An individual who sustains an injury requiring medical treatment and the personal representative of an
14 individual who dies as a result of an injury may submit a claim to any insurers providing insurance coverage
15 for the injury or death. The responsible insurers shall pay the claims in the order provided in subsections
16 (1)(a) and (1)(b).

17 (a) Benefits afforded by a property or casualty contract or policy of insurance by which the insurer
18 has agreed to pay medical, hospital, or funeral expenses, or any of those expenses, arising from a covered
19 loss, up to the limit of liability as set forth in the policy or contract, must be paid first.

20 (b) Upon payment of all available medical, hospital, or funeral benefits pursuant to subsection
21 (1)(a), benefits must then be paid under any contract, certificate, agreement, or policy of insurance issued
22 by a disability insurer.

23 (2) In determining the amount of benefit payments to be paid pursuant to subsection (1)(b), a
24 disability insurer may not consider benefits paid by a property or casualty insurer to an individual pursuant
25 to subsection (1)(a) unless the total dollar amount of coverage paid or to be paid pursuant to both
26 subsections (1)(a) and (1)(b) exceeds 100% of the expenses incurred by the individual. In that case, the
27 disability insurer may consider payments made pursuant to subsection (1)(a) only to the extent that
28 payments pursuant to both subsections (1)(a) and (1)(b) would exceed 100% of the expenses incurred by
29 the individual.

30 (3) This section does not affect a right of subrogation.

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3 **NEW SECTION.** **Section 2. Codification instruction.** [Section 1] is intended to be codified as an
4 integral part of Title 33, chapter 18, and the provisions of Title 33, chapter 18, apply to [section 1].

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6 **NEW SECTION.** **Section 3. Saving clause.** [This act] does not affect rights and duties that
7 matured, penalties that were incurred, or proceedings that were begun before [the effective date of this
8 act].

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10 **NEW SECTION.** **Section 4. Retroactive applicability.** [Section 1] applies retroactively, within the
11 meaning of 1-2-109, to contracts or policies of insurance issued by a property or casualty insurer and to
12 contracts, certificates, agreements, or policies issued by a disability insurer prior to [the effective date of
13 this act].

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15 **NEW SECTION.** **Section 5. Effective date.** [This act] is effective on passage and approval.

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-END-

STATE OF MONTANA - FISCAL NOTE

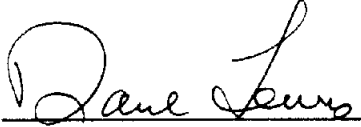
Fiscal Note for HB0103, as introduced

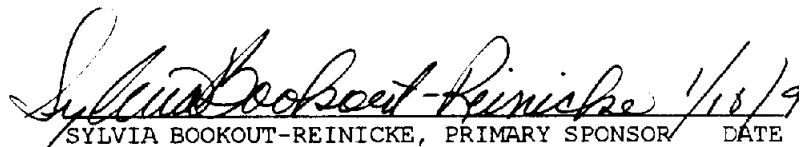
DESCRIPTION OF PROPOSED LEGISLATION:

A bill specifying the order of liability among property or casualty insurers and disability insurers for payment of medical claims to the same insured.

FISCAL IMPACT:

Passage of HB0103 will have no fiscal impact to the state.

 1-9-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 1/10/97
SYLVIA BOOKOUT-REINICKE, PRIMARY SPONSOR DATE

Fiscal Note for HB0103, as introduced

HB 103