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SENATE BILL NO. 80  
INTRODUCED BY HERTEL  
BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING UNDERWRITING ON OR AFTER THE ISSUE DATE OF THE POLICY, CERTIFICATE, OR SUBSCRIBER CONTRACT EXCEPT UNDER CERTAIN CONDITIONS."

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

NEW SECTION. **Section 1. Postclaim underwriting prohibited -- condition.** An insurer, health service corporation, or health maintenance organization may not place an elimination rider on or rescind coverage provided by a disability policy, certificate, or subscriber contract after a policy, certificate, or contract has been issued unless the insured has made a material misrepresentation or fraudulent misstatement on the application or has failed to pay the premium when due.

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

-END-

APPROVED BY COM ON  
BUSINESS & INDUSTRY

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