



AN ACT REVISING VOLUNTARY PAYMENTS LAWS TO INCLUDE ALL CLAIMS; REVISING LEGISLATIVE POLICY FOR VOLUNTARY PAYMENTS TO INCLUDE ALL CLAIMS; PROVIDING THAT CERTAIN BAD FAITH INSURANCE ACTIONS DO NOT APPLY TO VOLUNTARY PAYMENTS; AMENDING SECTIONS 26-1-701, 26-1-703, AND 26-1-706, MCA; AND PROVIDING AN APPLICABILITY DATE.

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

Section 1. Section 26-1-701, MCA, is amended to read:

"26-1-701. Legislative policy. The legislature declares that the health, welfare, and safety of the people of the state of Montana would be enhanced by the expeditious handling of ~~liability~~ claims. The legislature further declares that the handling of ~~liability~~ claims would be expedited if voluntary payment by or on behalf of one person to or on behalf of a person who has ~~sustained injury to that person or damage to that person's property could~~ possesses a claim may not be construed as an admission of fault or liability as to any claim arising out of the occurrence that gave rise to the injury or damage."

Section 2. Section 26-1-703, MCA, is amended to read:

"26-1-703. Voluntary partial payment of claim not an admission of fault or waiver. (1) No A voluntary partial payment of a claim against any person based on alleged liability of that person ~~for injury to person, including death, or damage to property arising out of any occurrence shall~~ may not be construed as an admission of fault or liability or as a waiver or release of claim by the person to whom or in whose behalf such ~~the~~ payment was made. ~~No A~~ voluntary partial payment shall may not be construed to reduce the amount of damages ~~which that~~ may be pleaded or proved in any action arising out of such ~~the~~ occurrence.

(2) This section does not apply to actions brought under 33-18-201 or 33-18-242.

(3) This section does not apply to proceedings to determine attorney fees relating to breach of

contract, including but not limited to proceedings involving:

(a) offers of judgment; or

(b) claims seeking attorney fees from an insurer.

(4) This section does not apply to damages awarded after the entry of a verdict at the discretion of the court, including as provided in 30-14-133, 33-25-402, 70-16-106, 70-16-107, and 70-27-206."

Section 3. Section 26-1-706, MCA, is amended to read:

"26-1-706. Effect of payment on judgment. After entry of a judgment in an action for damages for personal injuries, including death, or for damage to property arising out of any occurrence, any voluntary partial payment ~~therefore made shall up to that time must~~ be treated as a credit against ~~such the~~ judgment and ~~shall must~~ be deductible from the amount of ~~such the~~ judgment. If after partial voluntary payments are made as ~~herein provided for in this section~~, it ~~shall must~~ be determined by a court of competent jurisdiction that the person who made ~~such the~~ payments or on whose behalf ~~such the~~ payments ~~were are~~ made is liable for an amount ~~which that~~ is less than the amount of the voluntary payments already made, ~~such the~~ person ~~shall may~~ ~~not~~ have ~~no a~~ right of action for the recovery of the amount by which the voluntary payments exceeded the amount of the judgment."

Section 4. Applicability. [This act] applies to liability claims in which a cause of action has accrued on or after October 1, 2025.

- END -

I hereby certify that the within bill,
HB 324, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2025.

President of the Senate

Signed this _____ day
of _____, 2025.

HOUSE BILL NO. 324

INTRODUCED BY S. FITZPATRICK

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