



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.

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Chief Clerk of the House

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2025.

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2025.

HOUSE BILL NO. 324

INTRODUCED BY S. FITZPATRICK

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