

HOUSE BILL NO. 223

INTRODUCED BY J. SCHILLINGER

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING MOTOR VEHICLE INSURANCE POLICIES TO COVER REASONABLE COSTS FOR TOWING, RECOVERY, AND SERVICES FOR COMMERCIAL TOW TRUCK OPERATORS, SUBJECT TO THE LIMITS IN THE POLICY; AMENDING SECTION 61-6-103, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

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

**"61-6-103. Motor vehicle liability policy minimum limits -- other requirements.** (1) A motor vehicle liability policy must:

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

(b) insure the person named in the policy and any other person, as insured, using any motor vehicle or motor vehicles with the express or implied permission of the named insured, against loss from the liability imposed by law for damages, including reasonable costs for towing, recovery, and debris cleanup services, such as liquids and other material at the scene of an accident, by a commercial tow truck operator as defined in 61-8-903, subject to the limits in the policy, arising out of the ownership, maintenance, or use of the motor vehicle or motor vehicles within the United States of America or Canada, subject to limits exclusive of interest and costs, with respect to each motor vehicle, as follows:

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

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

(iii) \$20,000 because of injury to or destruction of property of others in any one accident.

(2) An operator's policy of liability insurance must insure the person named as insured in the policy against loss from the liability imposed upon the operator by law for damages arising out of the use by the

operator of any motor vehicle not owned by the operator, within the same territorial limits and subject to the same limits of liability that are set forth in subsection (1) with respect to the operator's policy of liability insurance.

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

(4) A 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 a motor vehicle or any liability for damage to property owned by, rented to, in charge of, or transported by the insured.

(5) A motor vehicle liability policy is subject to the following provisions, which need not be contained in the policy:

(a) The liability of the insurance carrier with respect to the insurance required by this part becomes absolute whenever injury or damage covered by the motor vehicle liability policy occurs. The policy may not be canceled or annulled as to the liability by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage. A statement made by the insured or on behalf of the insured and a violation of the policy may not defeat or void the policy.

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

(c) The insurance carrier has the right to settle any claim covered by the policy, and if the settlement is made in good faith, the amount is deductible from the limits of liability specified in subsection (1)(b).

(d) The policy, the written application for the policy, if any, and any rider or endorsement that does not conflict with the provisions of this part constitute the entire contract between the parties.

(6) A motor vehicle policy is not subject to cancellation, termination, nonrenewal, or premium

1 increase due to injury or damage incurred by the insured or operator unless the insured or operator is found to  
2 have violated a traffic law or ordinance of the state or a city, is found negligent or contributorily negligent in a  
3 court of law or by the arbitration proceedings contained in chapter 5 of Title 27, or pays damages to another  
4 party, whether by settlement or otherwise. A premium may not be increased during the term of the policy unless  
5 there is a change in exposure.

6 (7) Any policy that grants the coverage required for a motor vehicle liability policy may also grant  
7 any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy, and  
8 the excess or additional coverage is not subject to the provisions of this part. With respect to a policy that  
9 grants the excess or additional coverage, the term "motor vehicle liability policy" applies only to that part of the  
10 coverage required by this section.

11 (8) A motor vehicle liability policy may provide that the insured shall reimburse the insurance  
12 carrier for any payment the insurance carrier would not have been obligated to make under the terms of the  
13 policy except for the provisions of this part.

14 (9) A motor vehicle liability policy may provide for the prorating of the insurance under the policy  
15 with other valid and collectible insurance.

16 (10) The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or  
17 more insurance carriers, which policies together meet the requirements.

18 (11) Any binder issued pending the issuance of a motor vehicle liability policy fulfills the  
19 requirements for the policy.

20 (12) A reduced limits endorsement may not be issued by a company to be attached to a policy  
21 issued in compliance with this section."

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23 **NEW SECTION. Section 2. Applicability.** [This act] applies to motor vehicle insurance policies  
24 issued or renewed on or after October 1, 2025.

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