
ADVISORY MEMORANDUM

To: ALL INTERESTED INSURERS

From: MONICA J. LINDEEN – Montana State Auditor, Commissioner of Securities and Insurance

Date:

NOTICE-PREJUDICE RULE

PLEASE TAKE NOTICE that in *The Estate of Gleason et al. v. Central United Life Insurance Company et al.*, 2015 MT 140, ¶ 39, 379 Mont. 219, 229, 350 P.3d 349, 356, the Montana Supreme Court explicitly adopted the notice-prejudice rule, and extended the Rule to the context of all first party insurance claims.

Pursuant to the notice-prejudice rule, an insurer may not deny coverage for late notice of a claim unless the insurer can demonstrate that it was injured or prejudiced by the lateness of the claim. *Id.* at ¶ 33.

PLEASE ENSURE that all insurance forms and practices conform to the notice prejudice rule within sixty (60) days of the date of this Advisory Memorandum.

For any questions regarding this advisory memorandum, please contact the Office of the Montana State Auditor, Commissioner of Securities and Insurance, Legal Services Bureau at (406) 444-2040.