COMMISSIONER OF SECURITIES & INSURANCE

MATTHEW M. ROSENDALE, SR.
COMMISSIONER

OFFICE OF THE MONTANA
STATE AUDITOR

ADVISORY MEMORANDUM

To: ALL INTERESTED PERSONS

From: MATT M. ROSENDALE – Commissioner of Securities and Insurance,
Montana State Auditor

Date: June 3, 2019

NOTICE OF POLICY CHANGES FOR PROPERTY AND CASUALTY INSURED, COMPLIANCE WITH SECTION 33-15-1106, MCA

Section 33-15-1106, MCA requires that a property or casualty insured be given 45 days notice, prior to the expiration date of a policy, proposing changes to the terms, rate or rating plan, on less favorable terms, at a higher rate, or higher rating plan. It is the position of this Agency, that if an insurance carrier fails to comply with Section 33-15-1106, MCA, by failing to provide the required 45 day Notice to a policyholder, before purporting to renew a policy "on less favorable terms, at a higher rate, or at a higher rating plan", then the terms of the existing policy will automatically renew by the force of law.[1] This would apply to any form of Notice or "Conditional Renewal" that did not contain the new terms, rates or rating plan 45 days in advance.

The 45 day Notice required by Section 33-15-1106, MCA must be provided 45 days prior to the scheduled expiration date of the policy, and any attempt to extend the expiration date is unlawful and cannot extend the time frame within which to provide the 45 day Notice.

This Agency will enforce this provision of law, and any violations may be prosecuted.

If you have any questions about this bulletin, please contact Chuck Evilsizer, Attorney for the State of Montana, at (406) 444-1295.

[1] There is an exception in the statute " if the increase in the rate or the rating plan, or both, results from a classification change based on the altered nature or extent of the risk insured against." §33-15-1106(2), MCA.