_____ BILL NO. _____

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF MILITARY AFFAIRS

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING INSURANCE LAWS RELATING TO CYBER INSURANCE; AND PROHIBITING A POLICY OF CYBER INSURANCE FROM CONTAINING PROVISIONS THAT AFFECT COVERAGE BECAUSE AN INSURED RECEIVED GOVERNMENTAL CYBER INCIDENT RESPONSE."

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

NEW SECTION. **Section 1. Cyber insurance -- governmental cyber incident response -- prohibited limitation on coverage -- definitions.** (1) (a) A policy of cyber insurance delivered, issued for delivery, renewed, or continued in this state may not contain a provision that excludes, limits, reduces, conditions, or otherwise adversely affects coverage solely because an insured requests, accepts, or receives a governmental cyber incident response.

(b) An insurer may not deny a claim, reduce coverage, refuse payment, or otherwise adversely affect coverage otherwise available under a policy of cyber insurance solely because an insured requests, accepts, or receives governmental cyber incident response.

(2) This section does not:

(a) require an insurer to provide coverage for a loss, liability, expense, or cybersecurity incident that is otherwise excluded from coverage under the terms of the policy;

(b) expand the limits of coverage provided under a policy;

(c) require an insurer to reimburse a governmental entity for governmental cyber incident response provided without charge to the insured; or

(d) prohibit an insurer from imposing reasonable requirements concerning notice, cooperation, preservation of evidence, or coordination of incident response, provided that the requirements do not have the effect of prohibiting or materially interfering with an insured's request for or receipt of governmental cyber

incident response.

(3) A policy provision that conflicts with this section is void and unenforceable.

(4) As used in this section, the following definitions apply:

(a) "Cyber insurance" means insurance providing coverage for loss, liability, or expense arising from a cybersecurity incident, including unauthorized access to, disruption of, compromise of, or damage to an information system or the information contained in an information system.

(b) "Governmental cyber incident response" means cybersecurity incident response, investigation, mitigation, recovery, or technical assistance provided by the Montana national guard or another state or federal governmental entity authorized to provide cybersecurity assistance.

NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 33, chapter 15, part 3, and the provisions of Title 33, chapter 15, part 3, apply to [section 1].

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