

HCS HB 353 -- INSURANCE GUARANTY ASSOCIATIONS

SPONSOR: Luetkemeyer

COMMITTEE ACTION: Voted "do pass" by the Committee on Financial Services by a vote of 14 to 4 with 1 present.

This substitute amends several provisions of the Property and Casualty Insurance Guaranty Association Act. The substitute expands the guaranty association's obligations for claims arising from bodily injury, sickness, or disease, so as to include damages for pain and suffering.

The substitute also adds several provisions establishing the guaranty association's obligations for insurance products that have been created during the past several years and clarifies several provisions regarding the administration of the guaranty fund, so as to comply with the recommendations of the National Conference on Insurance Guaranty Funds.

FISCAL NOTE: Not available at time of printing.

PROPOSERS: Supporters say that this area of the law dates back to 1972, and a lot of changes have occurred over the last 30 years. The bill merely incorporates model language from the National Conference of Insurance Guaranty Funds to bring Missouri's law up to date.

Testifying for the bill were Representative Luetkemeyer; Missouri Property and Casualty Guaranty Association; and Independent Insurance Brokers and Agents of Missouri.

OPPOSERS: Those who oppose the bill say that there is an ambiguity in the language regarding the priority of the fees due to the attorney in the original insurance claim.

Testifying against the bill was Missouri Association of Trial Attorneys.

Richard Smreker, Senior Legislative Analyst