

HCS HB 1090 -- PROPERTY INSURANCE

SPONSOR: Luetkemeyer (Bishop)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Financial Services by a vote of 19 to 0.

Under current law, a person may receive real property via a transfer on death clause in the deed. This substitute makes the recipient automatically insured under the property insurance policy in effect at the time of the original owner's death. Coverage will last for 30 days or until the existing policy period ends, whichever occurs first.

FISCAL NOTE: No impact on state funds in FY 2005, FY 2006, and FY 2007.

PROPOSERS: Supporters say that the widespread use of non-probate transfers has created a glitch in the insurance coverage for property that does not go through probate. Current law provides an extension of the insurance coverage of the property of a deceased person, with the executor of the estate automatically becoming the insured until probate is completed. The bill applies the same kind of protection for properties that are conveyed to a beneficiary automatically through a non-probate transfer allowing the new owner 30 days to secure insurance.

Testifying for the bill were Representative Bishop; American Family Insurance; and Missouri Association of Realtors.

OPPOSERS: There was no opposition voiced to the committee.

Richard Smreker, Senior Legislative Analyst