

FIRST REGULAR SESSION

HOUSE BILL NO. 1125

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE AULL.

Read 1st time March 14, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1499L.01I

AN ACT

To amend chapter 375, RSMo, by adding thereto one new section relating to insurance premium rates.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 375, RSMo, is amended by adding thereto one new section, to be
2 known as section 375.996, to read as follows:

375.996. 1. As used in this section, the following terms shall mean:

2 **(1) "Director", the director of the department of insurance, financial institutions**
3 **and professional registration;**

4 **(2) "Insurer", any insurance company, health services corporation, or health**
5 **maintenance organization licensed to do business in the state of Missouri.**

6 **2. If any insurer proposes to increase or decrease the premium rates applicable to**
7 **any line or class of insurance by fifteen percent or more, the insurer shall notify the**
8 **director in writing at least sixty days prior to the effective date of the proposed premium**
9 **rate change. The notice shall include a detailed description of the proposed premium rate**
10 **change, actuarial justification for the premium rate change, and such other information**
11 **as the director may prescribe by rule.**

12 **3. Within ten days of receipt of the notice from the insurer, the director shall set a**
13 **date for a public hearing on the proposed premium rate change and shall publish notice**
14 **of the hearing. The date set for the hearing shall be within thirty days after receipt of the**
15 **notice from the insurer. The director shall provide a copy of any information filed by the**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 insurer under subsection 2 of this section to any person making a written request for such
17 information.

18 4. At the hearing, the insurer may provide additional information in support of its
19 proposed premium rate change, and any member of the public may provide information
20 in support of or in opposition to the proposed premium rate change.

21 5. Within twenty days after the close of the hearing, the director shall review all of
22 the information submitted to determine whether the proposed premium rate change is
23 justified. No rate shall be considered justified that is excessive, inadequate, or unfairly
24 discriminatory. If the director determines that the rate is justified, the director shall issue
25 an order authorizing the insurer to use the premium rate as proposed. If the director
26 determines that the rate is not justified, the director shall issue an order prohibiting the use
27 of the premium rate as proposed. The insurer may appeal the order under chapter 536,
28 RSMo.

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