

SECOND REGULAR SESSION

# HOUSE BILL NO. 1920

## 95TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES LOW (Sponsor), WALTON GRAY, OXFORD, YAEGER,  
BURNETT, WEBBER, PACE AND TALBOY (Co-sponsors).

3678L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal sections 408.020 and 408.040, RSMo, and to enact in lieu thereof two new sections relating to interest on medical debt.

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

Section A. Sections 408.020 and 408.040, RSMo, are repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 408.020 and 408.040, to read as follows:

408.020. **Except for moneys for medical services and treatment after they become**  
2 **due and payable**, creditors shall be allowed to receive interest at the rate of nine percent per  
3 annum, when no other rate is agreed upon, for all moneys after they become due and payable,  
4 on written contracts, and on accounts after they become due and demand of payment is made;  
5 for money recovered for the use of another, and retained without the owner's knowledge of the  
6 receipt, and for all other money due or to become due for the forbearance of payment whereof  
7 an express promise to pay interest has been made. **For moneys for medical services and**  
8 **treatment after they become due and payable, creditors shall be allowed to receive interest**  
9 **at the rate of six percent per annum.**

408.040. 1. In all nontort actions, interest shall be allowed on all money due upon any  
2 judgment or order of any court from the date judgment is entered by the trial court until  
3 satisfaction be made by payment, accord or sale of property; all such judgments and orders for  
4 money upon contracts bearing more than nine percent interest shall bear the same interest borne  
5 by such contracts, and all other judgments and orders for money shall bear nine percent per  
6 annum, **or six percent per annum for such judgments and orders for medical services and**  
7 **treatment**, until satisfaction made as aforesaid.

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.

8           2. Notwithstanding the provisions of subsection 1 of this section, in tort actions, interest  
9 shall be allowed on all money due upon any judgment or order of any court from the date [of]  
10 judgment is entered by the trial court until full satisfaction. **All such judgments and orders for**  
11 **money for medical services and treatment shall bear a per annum interest rate of six**  
12 **percent per annum.** All other such judgments and orders for money shall bear a per annum  
13 interest rate equal to the intended Federal Funds Rate, as established by the Federal Reserve  
14 Board, plus five percent, until full satisfaction is made. The judgment shall state the applicable  
15 interest rate, which shall not vary once entered. In tort actions, if a claimant has made a demand  
16 for payment of a claim or an offer of settlement of a claim, to the party, parties or their  
17 representatives, and to such party's liability insurer if known to the claimant, and the amount of  
18 the judgment or order exceeds the demand for payment or offer of settlement, then prejudgment  
19 interest shall be awarded, calculated from a date ninety days after the demand or offer was  
20 received, as shown by the certified mail return receipt, or from the date the demand or offer was  
21 rejected without counter offer, whichever is earlier. In order to qualify as a demand or offer  
22 pursuant to this section, such demand must:

23           (1) Be in writing and sent by certified mail return receipt requested; and

24           (2) Be accompanied by an affidavit of the claimant describing the nature of the claim,  
25 the nature of any injuries claimed and a general computation of any category of damages sought  
26 by the claimant with supporting documentation, if any is reasonably available; and

27           (3) For wrongful death, personal injury, and bodily injury claims, be accompanied by a  
28 list of the names and addresses of medical providers who have provided treatment to the claimant  
29 or decedent for such injuries, copies of all reasonably available medical bills, a list of employers  
30 if the claimant is seeking damages for loss of wages or earning, and written authorizations  
31 sufficient to allow the party, its representatives, and liability insurer if known to the claimant to  
32 obtain records from all employers and medical care providers; and

33           (4) Reference this section and be left open for ninety days. Unless the parties agree in  
34 writing to a longer period of time, if the claimant fails to file a cause of action in circuit court  
35 prior to a date one hundred twenty days after the demand or offer was received, then the court  
36 shall not award prejudgment interest to the claimant. If the claimant is a minor or incompetent  
37 or deceased, the affidavit may be signed by any person who reasonably appears to be qualified  
38 to act as next friend or conservator or personal representative. If the claim is one for wrongful  
39 death, the affidavit may be signed by any person qualified pursuant to section 537.080, RSMo,  
40 to make claim for the death. Nothing contained herein shall limit the right of a claimant, in  
41 actions other than tort actions, to recover prejudgment interest as otherwise provided by law or  
42 contract.

43           3. In tort actions, a judgment for prejudgment interest awarded pursuant to this  
44 [subsection] **section** should bear interest at **a per annum interest rate of six percent for**  
45 **medical services and treatment, and** a per annum interest rate equal to the intended Federal  
46 Funds Rate, as established by the Federal Reserve Board, plus three percent. The judgment shall  
47 state the applicable interest rate, which shall not vary once entered.

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