

SCS SB 834 -- LIQUIDATION OF CERTAIN DOMESTIC INSURANCE COMPANIES

SPONSOR: Rupp (Diehl)

COMMITTEE ACTION: Voted "do pass" by the Committee on Insurance Policy by a vote of 12 to 0.

This substitute allows a domestic insurance company that is organized as a stock insurance company to voluntarily dissolve and liquidate as a corporation if the Director of the Department of Insurance, Financial Institutions and Professional Registration approves the articles of dissolution and the company files with the Secretary of State a copy of the director's approval along with the articles.

In determining whether to approve a dissolution, the department director must consider whether the insurers' annual financial statements show no written insurance premiums for five years, the insurer has demonstrated that all policyholder claims have been satisfied or transferred to another insurer, and a market conduct examination pursuant to Sections 374.202 - 374.207, RSMo, has been completed within the last five years.

FISCAL NOTE: No impact on state funds in FY 2011, FY 2012, and FY 2013.

PROPOSERS: Supporters say that when a solvent insurer wants to stop doing business, it must go to court and liquidate its assets which is very costly. The bill will correct this problem and allow these companies to stop operations if approved by the department.

Testifying for the bill was Senator Rupp.

OPPOSERS: There was no opposition voiced to the committee.