

HB 1361 -- DOMESTIC SURPLUS LINES INSURERS

SPONSOR: Gosen

COMMITTEE ACTION: Voted "Do Pass by Consent" by the Committee on Insurance Policy by a vote of 9 to 0.

This bill regulates nonadmitted insurers who are domiciled in Missouri and meet certain conditions to sell types of insurance not provided by admitted insurers. Domestic surplus lines insurers will possess a policyholder surplus of \$20 million, be approved in another jurisdiction, pass a resolution seeking to be a domestic surplus lines insurer in Missouri, and be granted written approval by the Director of the Department of Insurance, Financial Institutions and Professional Registration.

Domestic surplus lines insurers may write any type of policy that a nonadmitted insurer not domiciled in Missouri may write. These policies are not subject to the Missouri Property and Casualty Insurance Guarantee Act or the Missouri Life and Health Insurance Guarantee Association Act. They are subject to taxes on surplus lines policies including the surplus premium lines tax under Section 384.059, RSMO, but will not be subject to other taxes levied on admitted insurers whether domestic or foreign such as taxes imposed under Section 148.320. Surplus lines insurers are subject to financial solvency requirements unless specifically exempted.

PROPONENTS: Supporters say that the bill allows domestic surplus lines insurers to make contracts in the same manner as out-of-state surplus lines insurers. Domestic insurers may write a single policy covering multiple branches of a company that are located in different states.

Testifying for the bill were Representative Gosen and the Missouri Insurance Coalition.

OPPONENTS: There was no opposition voiced to the committee.