

SS SCS HCS HB 2194 -- REGULATION OF INSURANCE

WORKER'S COMPENSATION (Section 287.955, RSMo)

This bill repeals provisions which require individual risk premium modification rating plans used by workers' compensation insurers to be actuarially justified, not result in premiums which are excessive, inadequate, or unfairly justified, and be applied on a statewide basis. The bill also removes the prohibition on the removal or reduction of premium credits unless there is a change in the insurer, the insurer amends or withdraws the rating plan, or there is a change in the insured employer's operations.

When premium modifications result due to a schedule rating plan with an underwriter determining individual risk characteristics, then up to an additional 10% credit may be given for a reduction in the insurer's expenses, rather than "an additional 10%" reduction.

AFFIDAVIT REQUIREMENTS FOR INSURERS (Section 374.205)

This bill allows insurance companies to file one affidavit, when market conduct reports from the Department of Insurance, Financial Institutions and Professional Registration are adopted, indicating acceptance of such reports rather than requiring all directors of a company to file an affidavit. This affidavit will be executed by its general counsel or chief legal officer.

RENEWAL OF INSURANCE POLICIES (Sections 375.004 and 379.118)

This bill specifies that when an insurer transfers an insurance policy among affiliated insurers within an insurance holding company, it is not considered to be a cancellation or nonrenewal. If the transfer policy is substantially different than the original policy the insurer must notify the insured at least 15 days in advance of the effective date of the assignment or transfer.

INSURERS (Section 379.125)

This bill will allow property and casualty insurers and reinsurers to write limited amounts of life insurance business outside of the United States which is written or assumed as a rider attached to a base policy, provided the aggregate premium assumed annually does not exceed 3% of the capital and surplus of the company as of December 31 of the previous year.

SELF SERVICE STORAGE INSURANCE (Section 379.1640)

This bill creates a regulatory system for self-service storage insurance and the selling of such insurance. A limited lines self-

service storage producer is allowed to offer and disseminate self-service storage insurance. Producers shall meet certain licensing and training criteria and maintain a register of individuals that offer self-service storage insurance for the producer and provide such information to the Department of Insurance, Financial Institutions and Professional Registration upon request. Employees and authorized representatives offering self-service storage insurance shall receive training that meets minimum standards as outlined, which shall be reviewed and approved by the department director.

Producers offering self-service storage insurance shall provide brochures or other print materials to prospective purchasers that meet minimum standards as outlined in the bill. Self-service storage insurance producer's employees and authorized representatives shall not engage in certain activities including evaluating the technical terms of the policies or holding themselves out as insurance producers. Limited lines self-service storage insurance producers, operators, employees and authorized representatives can offer self-service storage insurance policies in an amount not to exceed \$5,000 per customer per unit.