

HCS HB 1690 -- INSURANCE GUARANTY ASSOCIATION ACT

This bill updates the laws regarding the Missouri Life and Health Insurance Guaranty Association Act to mirror the National Association of Insurance Commissioners model act which was approved by the commission in 2017.

The association provides protection to insureds and claimants against the impairment or insolvency of a life or health insurance company and provides continuation of coverage for policyholders.

Benefits provided by a long-term care rider to a life insurance policy or annuity contract will be considered the same type of benefit as the basic policy or contract to which it relates.

Currently, the Life and Health Insurance Guaranty Association is required to have between five and nine members. The bill modifies the range to between seven and 11 members.

The bill modifies provisions relating to Life and Health Insurance Guaranty Association member assessments. It removes a provision specifying that nonpro rata assessments for administrative and legal costs shall not exceed \$150 per member insurer in any one calendar year, and specifies that the amount of other assessments for long-term care insurance written by the impaired or insolvent insurer shall be allocated according to a methodology included in the plan of operation and approved by the director. The methodology shall provide for 50% of the assessment to be allocated to accident and health member insurers, and 50% to life and annuity member insurers.

These provisions shall not apply to any member insurer that is impaired or insolvent prior to the bill's effective date.