

SB 708 -- AUTOMOBILE INSURANCE COVERAGE

SPONSOR: Schatz

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Insurance Policy by a vote of 10 to 0. Voted "Do Pass" by the Rules- Legislative Oversight Committee by a vote of 11 to 0.

Currently, the State of Missouri requires liability insurance coverage for injury to, or destruction of, property of others in any one accident of not less than \$10,000. This bill increases the amount to not less than \$25,000.

The amount of money a person can deposit with the State Treasurer so that such person can self insure instead of purchasing an insurance policy is increased from \$60,000 to \$75,000.

Currently, automobile insurance policies in this state cannot be renewed with types or limits of coverage that are not at least equal to those in the existing policy; the existing policy must be canceled and a new policy issued in its place.

This bill removes this restriction, but requires written notice of the reduction in coverage to be provided to the insured no less than 15 days prior to the effective date of the proposed reduction. Such notice may be provided at the same time as written notice of policy renewal.

This bill is the same as HB 2270 (2018) and similar to SB 955 (2018).

PROPONENTS: Supporters say that this bill will help consumers to better understand when they are modifying automobile insurance coverage by providing them written notice of any reduction in coverage. Currently, insurers are required to send consumers a cancellation notice which can be very confusing when they have just modified coverage and not canceled.

Testifying for the bill were Representative Tate; American Family; Missouri Insurance Coalition; State Farm Insurance Companies; American Insurance Association; Property Casualty Insurers; and Larry Case, Missouri Association of Insurance Agents.

OPPONENTS: There was no opposition voiced to the committee.