

HB 182 -- INTEREST RATES ON PAYMENTS

SPONSOR: Shull (16)

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Insurance Policy by a vote of 17 to 0. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 7 to 0.

Currently, if the Director of the Department of Insurance, Financial Institutions and Professional Registration determines that an insurance company has to pay interest upon any claim, refund, or payment and the interest rate is not already provided for by law, the rate shall be at the annual adjusted prime rate of interest as determined by Section 32.065, RSMo, but shall not to exceed 9%.

This bill clarifies that insurance companies who voluntarily pay interest on any claim, refund, penalty or payment for which the appropriate interest rate is not already provided for by law, shall also calculate the interest rate pursuant to Section 32.065, but not to exceed 9%.

PROPONENTS: Supporters say that this bill will allow insurance companies to voluntarily pay interest on claims to do so at a lower interest rate which will help consumers get their claims paid off sooner.

Testifying for the bill were Representative Shull; Missouri Insurance Coalition; and American Property Casualty Insurers.

OPPONENTS: There was no opposition voiced to the committee.