

HCS HB 240 -- LIFE INSURANCE FUNDING AGREEMENTS

SPONSOR: Porter

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Insurance by a vote of 9 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 10 to 0.

The following is a summary of the House Committee Substitute for HB 240.

This bill defines a "funding agreement" as an agreement for an insurer to accept and accumulate funds and to make one or more payments at future dates in amounts not based on mortality or morbidity contingencies of the person to whom the funding agreement is issued and allows a life insurance company to issue such agreements. A funding agreement shall not be deemed to constitute a security and the issuance of a funding agreement shall be deemed to be doing insurance business.

This bill is the similar to HB 1618 (2020).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that this bill will allow insurers to issue funding agreements allowing insurers to accept and accumulate funds and to issue payments at future dates that are not based on mortality of the person making such payments.

Testifying for the bill were Representative Porter; and Michael Henderson, Missouri Insurance Coalition.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.