

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for
2 Senate Bill No. 783, Page 42, Section 379.011, Line 100, by inserting after all of said section and
3 line the following:
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5 "379.321. 1. Every insurer shall file with the director, except as to commercial property or
6 commercial casualty insurance as provided in subsection 6 of this section, every manual of
7 classifications, rules, underwriting rules and rates, every rating plan and every modification of the
8 foregoing which it uses and the policies and forms to which such rates are applied. Any insurer may
9 satisfy its obligation to make any such filings by becoming a member of, or a subscriber to, a
10 licensed rating organization which makes such filings and by authorizing the director to accept such
11 filings on its behalf, provided that nothing contained in section 379.017 and sections 379.316 to
12 379.361 shall be construed as requiring any insurer to become a member of or a subscriber to any
13 rating organization or as requiring any member or subscriber to authorize the director to accept such
14 filings on its behalf. Filing with the director by such insurer or licensed rating organization within
15 ten days after such manuals, rating plans or modifications thereof or policies or forms are effective
16 shall be sufficient compliance with this section.

17 2. Except as to commercial property or commercial casualty insurance as provided in
18 subsection 6 of this section, no insurer shall make or issue a policy or contract except pursuant to
19 filings which are in effect for that insurer or pursuant to section 379.017 and sections 379.316 to
20 379.361. Any rates, rating plans, rules, classifications or systems, in effect on August 13, 1972,
21 shall be continued in effect until withdrawn by the insurer or rating organization which filed them.

22 3. Upon the written application of the insured, stating his or her reasons therefor, filed with
23 the insurer, a rate in excess of that provided by a filing otherwise applicable may be used on any
24 specific risk.

25 4. Every insurer which is a member of or a subscriber to a rating organization shall be
26 deemed to have authorized the director to accept on its behalf all filings made by the rating
27 organization which are within the scope of its membership or subscribership, provided:

28 (1) That any subscriber may withdraw or terminate such authorization, either generally or
29 for individual filings, by written notice to the director and to the rating organization and may then
30 make its own independent filings for any kinds of insurance, or subdivisions, or classes of risks, or
31 parts or combinations of any of the foregoing, with respect to which it has withdrawn or terminated
32 such authorization, or may request the rating organization, within its discretion, to make any such
33 filing on an agency basis solely on behalf of the requesting subscriber; and

34 (2) That any member may proceed in the same manner as a subscriber unless the rating
35 organization shall have adopted a rule, with the approval of the director:

36 (a) Requiring a member, before making an independent filing, first to request the rating

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1 organization to make such filing on its behalf and requiring the rating organization, within thirty
2 days after receipt of such request, either:

- 3 a. To make such filing as a rating organization filing;
- 4 b. To make such filing on an agency basis solely on behalf of the requesting member; or
- 5 c. To decline the request of such member; and

6 (b) Excluding from membership any insurer which elects to make any filing wholly
7 independently of the rating organization.

8 5. Any change in a filing made pursuant to this section during the first six months of the
9 date such filing becomes effective shall be approved or disapproved by the director within ten days
10 following the director's receipt of notice of such proposed change.

11 6. Commercial property and commercial casualty requirements differ as follows:

12 (1) Commercial property and commercial casualty insurance rates, rate plans, modifications,
13 and manuals of classifications, except as specified in subdivision (2) of this subsection, shall be filed
14 with the director for informational purposes only within ten days of use. Such rates are not to be
15 reviewed or approved by the department of commerce and insurance as a condition of their use.
16 Nothing in this subsection shall require the filing of individual rates where the original manuals,
17 rates and rules for the insurance plan or program to which such individual policies conform have
18 already been filed with the director;

19 (2) Subject to the provisions of subdivision (4) of this subsection, commercial property and
20 casualty underwriting rules or guidelines, rates, rate plans, modifications, and manuals of
21 classification are exempt from filing requirements otherwise applicable under this chapter, whether
22 the insurance coverage is endorsed to or otherwise made part of another type of insurance or sold as
23 a stand-alone policy;

24 (3) Subject to the provisions of subdivision (4) of this subsection, commercial property and
25 casualty insurance policy forms are exempt from filing requirements otherwise applicable under this
26 chapter when the aggregate total annual commercial insurance premiums for all property and
27 casualty insurance purchased by a commercial policyholder, excluding premiums for the types of
28 insurance specified in subdivision (4) of this subsection, are equal to or exceed one hundred
29 thousand dollars and the commercial policyholder employs a full-time risk manager or has retained
30 a licensed insurance producer to negotiate on its behalf;

31 (4) The filing exemptions in subdivisions (2) and (3) of this subsection shall not apply to:

- 32 (a) Workers' compensation;
- 33 (b) Medical malpractice liability;
- 34 (c) Farm property and liability;

35 (d) Any coverage issued by an assigned risk or residual market plan pursuant to section
36 303.200; and

37 (e) Any specific policy or bond required by the division of workers' compensation of a self-
38 insured employer or group trust, their trustees, or entities providing services to self-insured
39 employers or group trusts;

40 (5) All policies exempt from filing pursuant to subdivision (2) or (3) of this subsection shall
41 include, at the time of policy issuance, a notice advising the policyholder that the policy may
42 include rates or forms exempt from filing with the department. Such notice shall state that this
43 policy may include rates and forms which may not be filed with the Missouri department of
44 commerce and insurance;

45 (6) If an insurer will only renew a commercial casualty or commercial property insurance
46 policy with an increase in premium of twenty-five percent or more, a premium alteration requiring
47 notification notice must be mailed or delivered by the insurer at least sixty days prior to the
48 expiration date of the policy, except in the case of an umbrella or excess policy the coverage of
49 which is contingent on the coverage of an underlying policy of commercial property or casualty

insurance, in which case notice of an increase in premium of twenty-five percent or more shall be mailed or delivered at least thirty days prior to the expiration date of the policy. Such notice shall be mailed or delivered to the agent of record and to the named insured at the address shown in the policy. If the insurer fails to meet this notice requirement, the insured shall have the option of continuing the policy for the remainder of the notice period plus an additional thirty days at the premium rate of the existing policy or contract. This provision does not apply if the insurer has offered to renew a policy without such an increase in premium or if the insured fails to pay a premium due or any advance premium required by the insurer for renewal. For purposes of this section, "premium alteration requiring notification" means an annual increase in premium of twenty-five percent or more, exclusive of premium increases due to a change in the operations of the insured which increases either the hazard insured against or the individual loss characteristics, or due to a change in the magnitude of the exposure basis, including, without limitation, increases in payroll or sales. For commercial multiperil policies, no premium alteration requiring notification shall be required unless the increase in premium for all of a policyholder's policies taken together amounts to a twenty-five percent or more annual increase in premium;

(7) Commercial property and commercial casualty policy forms, except as specified in subdivision (3) of this subsection, shall be filed with the director within ten days of use as provided pursuant to subsection 1 of this section. However, if after review, it is determined that corrective action must be taken to modify the filed forms, the director shall impose such corrective action on a prospective basis for new policies. All policies previously issued which are of a type that is subject to such corrective action shall be deemed to have been modified to conform to such corrective action retroactive to their inception date;

(8) An insurer renewing a policy issued with policy forms not filed with the director pursuant to subdivision (3) of this subsection shall provide written notice to the first named insured and producer of record, if any, at least ten days prior to the current policy's expiration date if, after renewal, there will be a material restriction or reduction in coverage not specifically requested by the insured, required by law or based on the altered nature or extent of the risk insured. The notice may be in a printed or electronic form and shall explain what coverage will be reduced or eliminated or what condition will be restricted. It shall be a rebuttable presumption that all insureds received the notice if it was sent by email or first class mail to the first named insured's last known email address or mailing address contained in the policy. If the insurer has not so notified the policyholder, the policyholder may elect to cancel the renewal policy within thirty days of delivery of the renewal policy and the earned premium for the time the renewal policy was in force shall be calculated pro rata at the lower of the current or previous year's rate. If the insured accepts the renewal, any premium change or alteration of coverage, terms or conditions shall be effective immediately upon the expiration of the prior policy. Nothing in this subdivision shall restrict the right of the parties to an insurance contract to amend an insurance policy if requested by the insured without the requirement for any notice;

(9) For purposes of this section, "commercial casualty" means "commercial casualty insurance" as defined in section 379.882. The term "commercial casualty" shall also include all policies of aircraft casualty insurance, regardless of whether for business and professional interests, whether for profit, nonprofit or public in nature or for personal, family or household purposes, are considered to be commercial casualty insurance. For purposes of this section, "commercial property" means property insurance, which is for business and professional interests, whether for profit, nonprofit or public in nature which is not for personal, family or household purposes, and shall include commercial inland marine insurance, but does not include title insurance;

(10) Nothing in this subsection shall limit the director's authority over excessive, inadequate or unfairly discriminatory rates or affect the application of any laws governing unfair trade practices, unfair claims practices, or the content of policy forms;

1 (11) The commercial casualty and commercial property insurance filing requirement
2 exemptions included in this section shall apply to all property and casualty insurance policies issued
3 or renewed on or after January 1, 2019."; and
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5 Further amend said bill by amending the title, enacting clause, and intersectional references
6 accordingly.