

HCS SS SCS SB 783 -- INSURANCE

SPONSOR: Eslinger (Wiemann)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Insurance by a vote of 12 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 7 to 1.

The following is a summary of the House Committee Substitute for SB 783.

This bill prohibits the courts from adopting, applying, or giving weight to a provision of an American Law Institute restatement of the law, or other secondary source, if it is inconsistent with Missouri statutory law or a decision of the Missouri Supreme Court that has not been overruled as of the date on which the civil action was commenced.

This bill provides that any employer required to make contributions under the unemployment compensation laws must pay an annual unemployment automation adjustment equal to .02% of its total taxable wages for the twelve-month period ending the preceding June 30th. The Division of Employment Security within the Department of Labor is permitted to lower this rate under certain circumstances. The bill specifies that the Department of Revenue must establish by rule a process for the voluntary suspension of motor vehicle registration for vehicles which are inoperable or being stored and not in operation. The owner or nonresident cannot further operate the vehicle until notifying the Department that the vehicle will be in use, and the Department will reinstate the registration upon receipt of proof of financial responsibility. Owners or nonresidents who operate a motor vehicle during a period of inoperability or storage claimed under the bill will be guilty of a class B misdemeanor, and may additionally be guilty of a violation of The Motor Vehicle Financial Responsibility Law. The bill also provides that the Department of Revenue may verify motor vehicle financial responsibility as provided by law, but will not otherwise take enforcement action unless the Director determines a violation has occurred as described in the bill. Currently, a first violation of The Motor Vehicle Financial Responsibility Law is punishable as a class D misdemeanor, meaning a fine may be imposed of up to \$500; a second or subsequent offense is punishable by up to 15 days in jail and/or a fine not to exceed \$500. As specified in the bill, a second or subsequent offense may be punished by up to 15 days in jail and will be punished by a fine not less than \$200 but not to exceed \$500. Fines owed to the state for violations of the Motor Vehicle Financial Responsibility Law may be eligible for payment in

installments. Rules for the application of payment plans will take into account individuals' ability to pay.

Currently, the Petroleum Storage Tank Insurance Fund expires on December 31, 2025. This bill would extend the expiration of the Fund to December 31, 2030.

This also gives rule making authority to the board of trustees.

This bill allows the Director of the Department of Commerce and Insurance to issue a limited lines travel insurance producer license to a person or business entity that has filed an application approved by the Director. This bill also allows any person who is already licensed in a major line of authority as an insurance producer to sell, offer, negotiate or solicit travel insurance. This bill also includes the marketing requirements, disclosures and documents required for selling travel insurance.

Currently, the Standard Valuation Law is established that requires Missouri insurers providing life, accident and health, annuity and pure endowment, or specified deposit policies to meet minimum standards of valuation for their financial reserves based on the valuation manual adopted by the National Association of Insurance Commissioners. However, a company that is licensed and doing business in Missouri, that has less than \$300 million of ordinary life premium, may instead hold reserves based on the mortality tables and interest rates defined by the valuation manual for net premium reserves if the company meets specified requirements. This bill repeals that exemption.

As specified in this bill, if a policy of insurance is purchased through the Internet, a mobile application, a computer, a mobile device, a tablet, or any other electronic device or platform or if a policy of insurance is initially delivered by electronic means, a party will be considered to have affirmatively consented to have all future notices and documents related to the policy or claims of such policy delivered by electronic means. However, the policy holder can later withdraw his or her consent to have documents delivered electronically.

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

PROPONENTS: Supporters say that uninsured motorist are a large problem. The person who is hit by an uninsured driver might not have enough insurance coverage to replace his or her car. This bill will make more drivers insure their vehicles. This bill also extends the sunset on the Petroleum Storage Tank Insurance Fund which is necessary because not enough companies offer coverage for

this at an affordable rate.

Testifying for the bill were Senator Eslinger; Missouri Petroleum and Convenience Association; Missouri Chamber of Commerce and Industry; Missouri Department of Commerce and Insurance; Missouri Petroleum Storage Tank Insurance Fund; American Council of Life Insurers; Missouri Department of Labor and Industrial Relations; Missouri Office Prosecution Services; Missouri Association of Prosecuting Attorneys; and the Missouri Insurance Coalition.

OPPONENTS: Those who oppose the bill say that the Petroleum Storage Tank Insurance Fund should not be extended. The Fund is currently not doing what it is supposed to do and has failed to pay for petroleum waste cleanups. Many cities have filed lawsuits against the Fund for not paying for petroleum waste cleanups.

Testifying against the bill were Brad Ratliff; Judy Bowman; Matt Turner; Sarah Charlton; Steve Mauer, City of Harrisonville Mo.; William Mills; Arnie C. Dienoff; Daniel Barnett; Judith Reece; Marcia Milner; and Sandy Franklin.

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.