

HCS SS SB 181 (LR # 1166H.07C)

CONTRACTUAL AGREEMENTS

Section	Original Bill	Sponsor	Description
287.690, 287.921, 375.1275, 379.1850, 379.1851, 379.1853, 379.1855, 379.1857, 379.1859, 379.1861, 379.1863, 379.1865, 379.1867, 379.1869, and B, RSMo	SB 181 Underlying Bill	Sen. Crawford	<p>PRIVATIZATION OF PUBLIC CORPORATIONS</p> <p>The Missouri Employers Mutual Insurance Company (MEM) is established as a public corporation for the purpose of insuring Missouri employers against liability for workers' compensation, occupational disease and employers' liability coverage.</p> <p>This repeals the law establishing MEM as a public corporation and all connected statutes and specifies a process under which MEM may convert to a private mutual insurance corporation under the general insurance laws, authorized to write any lines of insurance permitted under Missouri law.</p> <p>The company may continue to conduct business under its current name, and it will become the successor in interest to all assets and liabilities of the company as of the date of conversion.</p> <p>The state will not be liable for the expenses, liabilities, or debts of the private version of the company, the public corporation version of the company or a subsidiary or joint enterprise involving the private version of the company (Sections 287.690, 287.921, and B).</p> <p>LENDER-PLACED INSURANCE</p> <p>Enacts provisions relating to lender-placed insurance, as defined in the bill, with applicability as described in the bill. (Sections 379.1850 to 379.1869).</p> <p>Specifies when lender-placed insurance will become effective and terminate, and when mortgagors may be charged for the policies. (Section 379.1853).</p> <p>Coverage amounts and premium amounts should be based upon the replacement cost value of the property, to be determined as laid out in the bill. In the event of a covered loss, any replacement cost coverage in excess of the unpaid principal balance on the mortgage shall be paid to the mortgagor. No insurer shall write lender-placed insurance for which the premium rate differs from that determined by the rate schedules on file with the Department of Commerce and Insurance (DCI) as of the effective date of the policy. (Section 379.1855).</p>

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		<p>Prohibits insurers and insurance producers from issuing lender-placed insurance if they or one of their affiliates owns, performs servicing for, or owns the servicing right to, the mortgaged property.</p> <p>Prohibits insurers and insurance producers from compensating lenders, insurers, investors, or servicers for lender-placed insurance policies issued by the insurer, and from sharing premiums or risk with the lender, investor, or servicer.</p> <p>Prohibits payments dependent on profitability or loss ratios from being made in connection with lender-placed insurance, specifies that insurers shall not provide free or below-cost services or outsource its own functions at an above-cost basis.</p> <p>No insurer or insurance producer can make any payments for the purpose of securing lender-placed insurance business or related services. (Section 379.1857).</p> <p>Requires lender-placed insurance to be set forth in its own policy or certificate. Proof of coverage must be provided in person or by mail to the last known address of the mortgagor, or in accordance with the Uniform Electronic Transactions Act, and shall include certain information laid out in the bill (Section 379.1861).</p> <p>Policy forms and certificates and premium rates will be filed with the DCI, which will review the rates to determine whether they are excessive, inadequate, or unfairly discriminatory, and whether expenses included in the rate are appropriate. Rates must be filed at least once every four years, and all insurers must have separate rates for lender-placed insurance and voluntary insurance obtained by a mortgage servicer on real estate owned property, as defined in the bill.</p> <p>Requires insurers writing at least \$100,000 in lender-placed insurance to annually report certain financial information to the DCI, and specifies that except in the case of lender-placed flood insurance, insurers experiencing an annual loss ratio of less than 35% for two consecutive years must re-file rates. Except as otherwise provided in the bill, rates and forms shall be filed as required by law. (Section 379.1863).</p> <p>The Director of the DCI will have authority to enforce these provisions, subject to judicial review as provided by law. The bill will not be construed to create a private cause of action, or to extinguish any mortgagor rights otherwise available under state, federal, or common law. (Section 379.1865).</p> <p>Specifies potential penalties for violations of the bill, including monetary penalties and suspension or revocation of an insurer's license. (Section 379.1867).</p>
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379.316	HB 1019 Added in HCS	Rep. Christofanelli	<p>AVIATION INSURANCE</p> <p>Currently, insurers must file with the Director of the DCI, except for commercial property or commercial casualty insurance, every manual of classifications, rules, underwriting rules and rates, every rating plan and every modification of the foregoing which it uses and the policies and forms to which such rates are applied.</p> <p>Insurance against loss of or damage to an aircraft is currently exempt from the rate plan filing requirements.</p> <p>Adds insurance against liability, other than employer's liability, arising out of the ownership, maintenance, or use of aircraft to the exemption.</p>
387.435	HB 721 Added in HCS	Rep. Riley	<p>TNC VICARIOUS LIABILITY</p> <p>States that a transportation network company (TNC) will not be vicariously liable by reason of owning, operating, or maintaining a digital network for any harm arising out of the use of the digital network by a TNC driver if the TNC is not negligent under law and the TNC has otherwise fulfilled all of its legal obligations to the TNC driver.</p>
361.749, 436.550, 436.552, 436.554, 436.556, 436.558, 436.560, 436.562, 436.564, 436.566, 436.568, 436.570, and 436.572	HCS HB 628 Added in HCS	Rep. Christofanelli	<p>EARNED WAGE ACCESS SERVICES</p> <p>Defines "Earned wage access services" as the business of providing consumer-directed wage access services (as defined in the bill), employer-integrated wage access services (as defined in the bill), or both.</p> <p>Defines "employer" as a person who employs a consumer; or any other person who is contractually required to pay a consumer earned income in exchange for services provided to the employer or on behalf of the employer, including where the consumer acts as an independent contractor for the employer.</p> <p>"Earned but unpaid income" includes salary, wages, compensation, or other income that the consumer has represented to a provider, has been earned in exchange for services to the employer or on behalf of the employer, but has not been paid to the consumer. A voluntary tip, gratuity, or donation is not regarded as a fee.</p>

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		<p>A person who engages in the business of earned wage access services needs to register as a provider, as defined in the bill, with the Division of Finance within the Department of Commerce and Insurance. The annual registration fee is \$1,000 payable July 1st of each year.</p> <p>The registration requirements are detailed in the bill.</p> <p>Exempts certain entities such as a bank or savings and loan association, credit union, and a person who is authorized to make loans or extension of credit under the laws of the state of Missouri or the United States.</p> <p>Contains provisions relating to a provider developing and implementing policies and procedures to respond to questions raised by consumers and to address their complaints.</p> <p>Requires the provider to provide a consumer with a written paper or electronic document that includes certain requirements specified in the bill, prior to entering into an agreement.</p> <p>Requires a provider to comply with all local, state, and federal privacy and information security laws and with the federal Electronic Funds Transfer Act and regulations.</p> <p>Requires a provider that solicits, charges or receives a tip, gratuity, or donation from a consumer has to clearly and conspicuously make certain disclosures to the consumer, as specified in the bill.</p> <p>Prohibits a provider from sharing with an employer any fees, voluntary tips, gratuities or other donations received from a consumer; charging a late fee, deferral fee, interest or other penalty; report any information to a consumer credit reporting agency or debt collector; accept payment for outstanding proceeds, fees, tips, gratuities via credit card; compel repayment by filing a suit or use of a third-party to pursue collection, or sale of the outstanding amounts to a third-party collector or debt buyer.</p> <p>Earned wage access services is not regarded as a violation or noncompliance with the laws relating to sale or assignment of unpaid income; a loan or other form of credit; or money transmission.</p> <p>Authorizes the Commissioner of the Division of Finance to suspend or revoke the registration of a provider who fails, refuses or neglects to comply with the requirements contained in the bill or commits any criminal act, after a hearing. The Commissioner can also issue cease and desist orders as explained in the bill.</p> <p>Revenue collected or paid to the Division are deposited into the Division of Finance fund.</p>
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Any earned wage access services provider who knowingly and willfully violates the provisions of the bill shall be guilty of a class A misdemeanor.

If there is a conflict between the provisions contained in the bill and any other state statute, the provisions of the bill shall control (Section 361.749).

CONSUMER LEGAL FUNDING

Creates the "Consumer Legal Funding Model Act" and contains several definitional terms.

Defines a "Consumer legal funding contract" in which a consumer legal funding company purchases and a consumer assigns to the company a contingent right to receive moneys from the settlement, judgment, award, or verdict from a consumer's legal claim.

Details the requirements to be included in the contract, which is not considered to be a loan.

Requires the company to provide the consumer's attorney with written notice of the contract provided to the consumer within three business days of the funding date and the contract is valid for a period of 48 months.

Details actions that cannot be taken by the company such as paying or offering to pay or accepting commissions, referral fees, or other forms of consideration from an attorney, medical provider, etc. or intentionally advertising false or misleading information; or receiving any right to or make decisions relating to the conduct of the underlying legal claim or resolution.

Provides for disclosures to be included in the contract which are regarded as material terms of the contract.

Specifies the written language to be contained in the body of the contract and specifies that the consumer legal funding contract shall be voided if a court with jurisdiction finds that a company intentionally violated the provisions of this section of the bill.

This does not restrict the Attorney General's powers or performance of duties.

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		<p>The company must be registered according to the standards developed by the Division of Finance within the Department of Commerce and Insurance and the bill details provisions relating to denial of applications for registration.</p> <p>An attorney or law firm retained by the consumer in the legal claim cannot have a financial interest in the consumer legal funding company offering consumer legal funding to that consumer.</p> <p>Any practicing attorney who has referred the consumer to his or her retained attorney shall not have a financial interest in the consumer legal funding company offering consumer legal funding to that consumer.</p> <p>Communication between the consumer's attorney and the consumer legal funding company necessary to ascertain the status of a legal claim or such claim's expected value shall not be discoverable.</p> <p>A consumer legal funding company must be registered according to the standards developed by the Division of Finance within the Department of Commerce and Insurance and the bill details provisions relating to denial of applications for registration.</p> <p>Every applicant shall file a bond satisfactory to the Division of up to \$50,000. If an action is commenced on the filed bond, the Division may require the filing of a new bond.</p> <p>A consumer legal funding company that has applied with the Division within six months from the effective date of the bill, or when the Division has made applications available to the public, whichever is later, may engage in consumer legal funding while the application is awaiting approval.</p> <p>No funding contracts in effect prior to the effective date of this bill shall be subject to the provisions of this bill.</p> <p>The Division must conduct an examination of each consumer funding company at least biannually, and shall have free and immediate access to the places of business and relevant books and records of the company during such examination.</p> <p>Provides that a consumer legal funding contract is a fact subject to the usual rules of discovery (Sections 436.550 to 436.572).</p>
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