

HB 2277 -- SETTLEMENT DEMAND

SPONSOR: Hardwick

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Insurance Policy by a vote of 10 to 4.

This bill replaces the term "time-limited demand" with "settlement demand". The bill specifies that, in any lawsuit alleging damages outside of what is covered in the contract against the tortfeasor's liability insurer, any prior settlement demand to settle a claim will not be considered to have been a reasonable opportunity to settle the claim unless the demand was in writing, referenced Section 537.058, RSMo, was sent certified mail, remained open for acceptance by the liability insurer for at least 90 days from the date the demand was received by the insurer, and contained certain material terms, described in the bill.

This bill is the same as HB 1009 (2023).

PROPOSERS: Supporters say that this adds clarity so the insurance companies know what is an acceptable form of settlement offer and how much time they have to make a decision. This also closes a loophole attorneys are using to not have the settlement demand provisions apply to their demand by not putting a time limit on it.

Testifying in person for the bill were Representative Hardwick; National Association of Mutual Insurance Companies; Missouri Insurance Coalition; Associated Industries of Missouri; Missouri Association of Insurance Agents; American Property Casualty Insurance Association, Missouri Civil Justice Reform ; and the Shelter Insurance Company.

OPPOSERS: Those who oppose the bill say that this is allowing insurance companies to put their best interest over the person who was harmed. It already requires a lot of proof to show that an insurance company is acting in bad faith. This also would require you to wait 90 days for every demand.

Testifying in person against the bill were Blake Markus; and Ken Barnes, Missouri Association of Trial Attorneys.

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