

HB 3314 -- GUARANTY MODEL ACT

SPONSOR: Hinman

The Missouri Property and Casualty Insurance Guaranty Association (MOPCIGA) and the Missouri Life and Health Insurance Guarantee Association (MOLHIGA) are state-mandated legal entities that act as safety nets for policyholders. They pay covered claims for Missouri residents when a member insurance company becomes insolvent, covering auto, homeowners, and workers' compensation policies, life, annuity, and health. All insurance companies that do business in Missouri must be members of the association.

The Director of the Missouri Department of Commerce and Insurance or any of the Director's examiners can conduct an examination of any company as often as the Director in his or her sole discretion deems appropriate, but will, at a minimum, conduct a financial examination of every insurer licensed in this state at least once every five years.

This bill allows the Director to share documents, materials, or other information, including confidential and privileged documents, materials, or information with MOPCIGA and MOLHIGA regarding any member insurer, if the Director determines that the member insurer may be subject to a future delinquency proceeding. This bill also allows the Director to share that same information with other state guarantee associations.

This bill also puts a \$300,000 cap for how much MOPCIGA will pay for all first-party and third-party claims under a policy or endorsement that provides, or is deemed to provide, cybersecurity insurance coverage that arises out of or is related to a single insured event, regardless of the number of claims made or the number of claimants. The association can at its sole discretion, and without any ongoing duty to do so, pay any cybersecurity insurance obligations covered under a policy or endorsement of an insolvent company, for a high net worth insured or third-party claimant. In such case, the association will recover from the high net worth insured or third-party claimant all amounts paid on their behalf, all allocated claim-adjusted expenses related to such claims, the association's attorney's fees, and all court costs in any action necessary to collect the full reimbursement amount due to the association.