

FIRST REGULAR SESSION

SENATE BILL NO. 370

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATORS DOUGHERTY, BRAY, DAYS,
COLEMAN, WHEELER, WILSON AND KENNEDY.

Read 1st time February 17, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

1591S.011

AN ACT

To repeal section 375.001, RSMo, and to enact in lieu thereof two new sections relating to prohibiting certain insurance companies from canceling or nonrenewing insurance policies for claim inquiries, with penalty provisions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 375.001, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 375.001 and 375.009, to read as follows:

375.001. As used in sections 375.001 to 375.008 the following words and terms mean:

(1) "Insurer", all insurance companies, reciprocals, or interinsurance exchanges transacting the business of insurance in this state;

(2) "Nonpayment of premium", failure of the named insured to discharge when due any of his obligations in connection with the payment of premiums on the policy, or any installment of the premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit;

(3) "Nonrenewal", the determination of an insurer not to issue or deliver a policy replacing at the end of the policy period a policy previously issued and delivered by the same insurer or a certificate or notice extending the term of a policy beyond its policy period or term;

(4) "Policy", a contract of insurance providing fire and extended coverage insurance, whether separately or in combination with other coverages, on

owner-occupied habitational property not exceeding two families. "Policy" does not include any insurance contracts issued under a property insurance inspection and placement program ("FAIR" plan) or an assigned risk plan, or any insurance contracts insuring property not used predominantly for habitational purposes, or an insurance contract insuring a mobile home;

(5) "Renewal" or "to renew", the issuance and delivery by an insurer of a policy replacing at the end of the policy period a policy previously issued and delivered by the same insurer, or the issuance and delivery of a certificate or notice extending the term of the policy beyond its policy period or term. Any policy with a policy period or term of less than six months shall for the purposes of sections 375.001 to 375.008 be considered as if written for a policy period or term of six months. Any policy written for a term longer than one year or any policy with no fixed expiration date, shall for the purpose of sections 375.001 to 375.008, be considered as if written for successive policy periods or terms of one year, and the policy may be terminated at the expiration of any annual period upon giving thirty days' notice of cancellation prior to the anniversary date, and the cancellation shall not be subject to any other provisions of sections 375.001 to 375.008.

(6) "Claim", unless otherwise defined in a specific section, any specific request or demand for payment of a loss that may be included within the terms of coverage of an insurance policy. An inquiry made to an agent, claims adjuster, customer help line, or other representative of the insurer, relating to policy coverage for a loss shall not constitute a claim.

375.009. 1. No insurer, as defined in section 375.001, shall consider as a claim any inquiry by the insured to any representative or agent of the insurer as to the type or level of coverage. No insurer shall keep a record of such inquiries for the purpose of determining cancellations, renewals, or nonrenewals.

2. No insurer that issues any type of policy described in section 375.001 shall increase premium rates, cancel a policy, or refuse to issue or renew a policy solely on the basis of a policyholder inquiring about making a claim, if the policyholder does not in fact submit a claim.

3. As used in this section, the term "claim" shall have the meaning ascribed to it in section 375.001.

4. Any violation of the provisions of this section shall be deemed

an unfair trade practice as defined by sections 375.930 to 375.948 and shall be subject to all of the provisions and penalties provided by such sections.

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