

SECOND REGULAR SESSION

# SENATE BILL NO. 1121

94TH GENERAL ASSEMBLY

---

---

INTRODUCED BY SENATOR LOUDON.

Read 1st time February 11, 2008, and ordered printed.

3591S.011

TERRY L. SPIELER, Secretary.

---

---

## AN ACT

To repeal section 374.415, RSMo, and to enact in lieu thereof one new section relating to product liability insurance reports.

---

---

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

Section A. Section 374.415, RSMo, is repealed and one new section  
2 enacted in lieu thereof, to be known as section 374.415, to read as follows:

374.415. 1. As used in sections 374.400 to 374.425, "product liability  
2 insurance" or "product liability policy" means:

3 (1) Any policy of insurance insuring only the insured's legal obligation  
4 arising from the product liability exposure of the insured;

5 (2) Any other policy of liability insurance in which the premium  
6 computation includes a specific premium charge for product liability exposures  
7 of the insured; and

8 (3) Any other insurance policy designated by the commissioner of  
9 insurance as providing product liability insurance.

10 2. Every insurer authorized to transact business in this state and  
11 providing product liability insurance shall, if asked by the department of  
12 insurance, on the first day of January of each year in which said insurer actually  
13 provides product liability insurance in Missouri or within sixty days thereafter,  
14 file with the director of insurance a report containing the information hereinafter  
15 specified; provided, however, insurers are not required to report product liability  
16 information pursuant to sections 374.400 to 374.425 for business incidental to the  
17 operation of affiliated companies or organizations. Such report may be made

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

18 upon forms provided by the director of insurance and shall request the following  
19 information:

20 (1) The name of the insurance company;

21 (2) The name of all other companies associated with the company  
22 submitting the report, as either a holding company, parent, wholly owned  
23 subsidiary, division, or through interlocking directorates;

24 (3) All the lines of insurance a company offers in all states;

25 (4) The states in which the company has been admitted for product  
26 liability insurance;

27 (5) The total premium dollar amount collected for all lines of insurance  
28 in Missouri and in all states in each of the five calendar years next preceding the  
29 initial report or in the year next preceding the filing of each annual report  
30 thereafter;

31 (6) The dollar amount collected each year in product liability premiums  
32 in Missouri and in all states beginning with calendar year 1978;

33 (7) The amount in dollars of product liability premiums for primary  
34 coverage and for excess coverage in Missouri and in all states;

35 (8) The amounts shown in answer to subdivision (6) which include  
36 premises and operations insurance or any other insurance delivered as part of a  
37 package which cannot be considered exclusively product liability insurance and  
38 the amounts which are nonproduct liability insurance. Such amounts shall be  
39 listed separately for amounts relating to experience in all states and amount  
40 relating to experience in Missouri only;

41 (9) Whether or not the company sets reserves for product liability claims  
42 filed;

43 (10) Whether or not the company sets reserves for product liability claims  
44 for losses which have been incurred but not reported;

45 (11) All reserves established in connection with the company's product  
46 liability line;

47 (12) How dollars reserved are treated in each of the categories listed in  
48 subdivisions (9), (10), and (11) for federal income tax purposes;

49 (13) The value of the securities held in the company's investment portfolio  
50 as of December thirty-first of the year next preceding the filing of each annual  
51 report.

52 3. In addition, each company may be required to report to the director of  
53 insurance for the year next preceding the filing of each annual report, beginning

54 with the annual report for 1978, any claim or action for damages for personal  
55 injury, death or property damage claimed to have been by reason of a defect in  
56 such insured's product, if the claim resulted in:

- 57 (1) A final judgment in any amount; **or**
- 58 (2) A settlement in any amount[; or
- 59 (3) A final disposition not resulting in payment on behalf of the insured].

60 Every insurer authorized to transact business in this state shall be subject to the  
61 provisions of this section in regard to claims against policies issued to Missouri  
62 insureds, regardless of the jurisdiction under which these claims were  
63 adjudicated, settled or otherwise disposed of. Every insurer authorized to  
64 transact business in this state shall be subject to the provisions of this section in  
65 regard to claims adjudicated, settled or disposition made pursuant to the laws of  
66 this state regardless of the domicile of the insured.

67 4. The reports required by subsection 3 of this section may contain:

- 68 (1) The city and state of the insured;
- 69 (2) Type of product;
- 70 (3) Rating classification code of product liability coverage;
- 71 (4) Date of occurrence which created the claim, including the state or  
72 other jurisdiction under whose jurisdiction the claim was adjudicated, settled, or  
73 disposition made;
- 74 (5) Date of suit if filed;
- 75 (6) Date and amount of judgment or settlement, if any, and the parties  
76 involved in the distributions of such judgment or settlement and the amount  
77 received by any such party;
- 78 (7) Date and reason for final disposition if no judgment or settlement;
- 79 (8) A summary of the occurrence which created the claim;
- 80 (9) Total number of claims;
- 81 (10) Total claims closed without payment;
- 82 (11) Total claims closed with payment;
- 83 (12) Total amount of payments;
- 84 (13) Total number of suits filed;
- 85 (14) Total number of verdicts or judgments for defendants;
- 86 (15) Total number of verdicts or judgments for plaintiffs;
- 87 (16) Total amount for plaintiffs; and
- 88 (17) Such other information as the director may require.

89 5. With respect to amounts paid in claims for the year next preceding the

90 filing of each annual report, each company may be required to provide the  
91 following information:

- 92 (1) Total amounts reserved with respect to those claims;
- 93 (2) The year in which the reserves were set; and
- 94 (3) The amounts set in each year.

✓

Unofficial

Bill

Copy