

SECOND REGULAR SESSION

SENATE BILL NO. 1001

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WALLINGFORD.

Read 1st time February 1, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6291S.011

AN ACT

To repeal section 375.001, RSMo, and to enact in lieu thereof two new sections relating to insurance policy events.

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Section A. Section 375.001, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 375.001 and 375.009, to read as follows: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. 1. As used in this chapter, unless otherwise clearly indicated by the context, the following words mean:

(1) "Department", the department of insurance, financial institutions and professional registration;

(2) "Director", the director of the department of insurance, financial institutions and professional registration.

2. As used in sections 375.001 to [375.008] **375.011** 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

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

19 policy beyond its policy period or term;

20 (4) "Policy", a contract of insurance providing fire and extended coverage
21 insurance, whether separately or in combination with other coverages, on
22 owner-occupied habitational property not exceeding two families. "Policy" does
23 not include any insurance contracts issued under a property insurance inspection
24 and placement program ("FAIR" plan) or an assigned risk plan, or any insurance
25 contracts insuring property not used predominantly for habitational purposes, or
26 an insurance contract insuring a mobile home;

27 (5) "Renewal" or "to renew", the issuance and delivery by an insurer of a
28 policy replacing at the end of the policy period a policy previously issued and
29 delivered by the same insurer, or the issuance and delivery of a certificate or
30 notice extending the term of the policy beyond its policy period or term. Any
31 policy with a policy period or term of less than six months shall for the purposes
32 of sections 375.001 to [375.008] **375.011** be considered as if written for a policy
33 period or term of six months. Any policy written for a term longer than one year
34 or any policy with no fixed expiration date shall, for the purpose of sections
35 375.001 to [375.008] **375.011**, be considered as if written for successive policy
36 periods or terms of one year, and the policy may be terminated at the expiration
37 of any annual period upon giving thirty days' notice of cancellation prior to the
38 anniversary date, and the cancellation shall not be subject to any other provisions
39 of sections 375.001 to [375.008] **375.011**.

**375.009. An insurer may not consider or utilize the following
2 events for purposes of increasing premiums, refusing to write or renew,
3 or canceling a policy or binder of insurance:**

4 (1) **An insured's inquiry into the type or level of coverage or an
5 inquiry into whether a policy will cover a loss;**

6 (2) **An insured's inquiry regarding coverage for a loss if the
7 insured files no claim;**

8 (3) **Any claim where:**

9 (a) **The insurer conducts no investigation of a claim and does not
10 initiate any other claim activity and the claim does not involve
11 deceptive practices on the part of the insured; or**

12 (b) **The insurer makes no payment to or on behalf of the insured
13 and the claim does not involve deceptive practices on the part of the
14 insured;**

15 (4) **A first-party property claim resulting from wind or hail if the**

16 **insured had no previous wind or hail claim on that property within the**
17 **previous five years, regardless of the insurer, unless the insurer can**
18 **provide evidence that the insured unreasonably failed to maintain the**
19 **property and the failure to maintain the property contributed to the**
20 **loss; or**

21 **(5) A first-party property claim, if the claim is over ten years old,**
22 **unless the insurer can provide evidence that the insured unreasonably**
23 **failed to maintain the property and the failure to maintain the property**
24 **contributed to the loss.**

Unofficial ✓

Bill

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