

FIRST REGULAR SESSION

SENATE BILL NO. 386

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WIELAND.

Read 1st time February 1, 2017, and ordered printed.

ADRIANE D. CROUSE, Secretary.

1666S.011

AN ACT

To amend chapter 379, RSMo, by adding thereto two new sections relating to competition in the insurance market, with an effective date.

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

Section A. Chapter 379, RSMo, is amended by adding thereto two new sections, to be known as sections 379.1750 and 379.1755, to read as follows:

379.1750. The general assembly finds that:

(1) **Businesses in the state of Missouri benefit when competitive markets govern business to business transactions;**

(2) **A reasonable degree of competition currently exists in commercial lines property and casualty insurance markets;**

(3) **Competition in commercial lines insurance markets would be enhanced further by permitting more open competition and reducing barriers to the rapid introduction of new and innovative business insurance products to this state;**

(4) **Nonetheless, the ability of the director of the department of insurance, financial institutions and professional registration to intervene in a specific commercial lines insurance market segment if a reasonable degree of competition is found not to exist should be preserved.**

379.1755. 1. Subject to the provisions of subsections 2 and 3 of this section, the following insurance coverages shall be exempt from the filing requirements of section 379.321 with respect to rates and policy forms whether the insurance coverage is endorsed to or otherwise made part of another kind of insurance policy or sold as a stand-alone policy:

(1) **Aircraft liability and hull insurance;**

- 8 **(2) Surety and fidelity;**
9 **(3) Commercial inland marine;**
10 **(4) Ocean marine;**
11 **(5) Boiler and machinery;**
12 **(6) Environmental impairment/pollution liability;**
13 **(7) Kidnap and ransom;**
14 **(8) Political risk or expropriation;**
15 **(9) Excess and umbrella liability;**
16 **(10) Directors' and officers' liability;**
17 **(11) Fiduciary liability;**
18 **(12) Employment practices liability;**
19 **(13) Errors and omission and professional liability, other than**
20 **medical malpractice;**
21 **(14) Media liability;**
22 **(15) Commercial lines travel risks, including accidental death**
23 **and dismemberment;**
24 **(16) Product liability, product recall, and completed operations;**
25 **(17) Cybersecurity, including first and third party commercial**
26 **lines coverage for losses arising out of or relating to data privacy**
27 **breaches, network security, computer viruses, and similar exposures;**
28 **(18) Highly protected commercial property;**
29 **(19) Commercial flood insurance, other than National Flood**
30 **Insurance Program;**
31 **(20) All commercial lines insurance coverages not excluded**
32 **under subsection 2 of this section when purchased by a commercial**
33 **policyholder with aggregate commercial insurance premiums of ten**
34 **thousand dollars or more, excluding premiums for the types of**
35 **insurance excluded under subsection 2 of this section; and**
36 **(21) Any other commercial lines insurance coverage or risk that**
37 **the director shall, pursuant to regulation, exempt from rate and policy**
38 **form filing requirements in order to promote enhanced competition or**
39 **to more effectively use the resources of the department that might**
40 **otherwise be used to review commercial lines filings.**
41 **2. The provisions of subsection 1 of this section shall not apply**
42 **to the following types of commercial insurance:**
43 **(1) Workers' compensation;**
44 **(2) Medical malpractice liability insurance;**

45 **(3) Nonfleet commercial automobile liability for policies covering**
46 **four or fewer vehicles;**

47 **(4) Any coverage issued by an assigned risk or residual market**
48 **plan under section 303.200.**

49 **3. The director may temporarily reinstate, for a period of no**
50 **longer than one year, the requirement for rate or form filings under**
51 **subsection 6 of section 379.321 for a specific insurance coverage**
52 **specified under subsection 1 of this section if, after a hearing, the**
53 **director makes a finding of fact that a reasonable degree of competition**
54 **does not exist for that specified type of insurance coverage. Such a**
55 **finding of fact by the director shall specify the relevant tests used to**
56 **determine whether a lack of a reasonable degree of competition exists**
57 **and the results thereof. In the absence of such specific findings of fact**
58 **by the director, a competitive market is presumed to exist.**

Section B. Section A of this act shall become effective January 1, 2018.

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Bill

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