

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NOS. 2337 & 2272

99TH GENERAL ASSEMBLY

Reported from the Committee on Insurance and Banking, May 7, 2018, with recommendation that the Senate Committee Substitute do pass.

6277S.03C

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal sections 354.150, 354.495, 374.115, 374.150, 374.230, 379.1545, and 382.278, RSMo, and to enact in lieu thereof five new sections relating to insurance, with a delayed effective date for certain sections.

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

Section A. Sections 354.150, 354.495, 374.115, 374.150, 374.230, 379.1545, and 382.278, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 354.150, 354.495, 374.150, 374.230, and 379.1545, to read as follows:

354.150. 1. Every health services corporation subject to the provisions of sections 354.010 to 354.380 shall pay [the following fees] to the director [for the administration and enforcement of the provisions of this chapter:

(1) For filing the declaration required on organization of each domestic company, two hundred fifty dollars;

(2) For filing statement and certified copy of charter required of foreign companies, two hundred fifty dollars;

(3) For filing application to renew certificate of authority, along with all required annual reports, including the annual statement, actuarial statement, risk-based capital report, report of valuation of policies or other obligations of assurance, and audited financial report of any company doing business in this state, one thousand five hundred dollars;

(4) For filing any paper, document, or report not filed under subdivision (1), (2), or (3) of this section but required to be filed in the office of the director,

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

15 fifty dollars each;

16 (5) For affixing the seal of office of the director, ten dollars;

17 (6) For accepting each service of process upon the company, ten dollars]

18 **the fees specified in section 374.230.**

19 2. Fees mandated in subdivision (1) of [subsection 1 of this] section
20 **374.230** shall be waived if a majority shareholder, officer, or director of the
21 organizing corporation is a member of the Missouri National Guard or any other
22 active duty military, resides in the state of Missouri, and provides proof of such
23 service to the secretary of state.

354.495. Every health maintenance organization subject to sections
2 354.400 to 354.636 shall pay to the director the [following fees:

3 (1) For filing the declaration required on organization of each domestic
4 company, two hundred fifty dollars;

5 (2) For filing statement and certified copy of charter required of foreign
6 companies, two hundred fifty dollars;

7 (3) For filing application to renew certificate of authority, along with all
8 required annual reports, including the annual statement, actuarial statement,
9 risk based capital report, report of valuation of policies or other obligations of
10 assurance, and audited financial report of any company doing business in this
11 state, one thousand five hundred dollars;

12 (4) For filing any paper, document, or report not filed under subdivision
13 (1), (2), or (3) of this section but required to be filed in the office of the director,
14 fifty dollars each;

15 (5) For affixing the seal of office of the director, ten dollars;

16 (6) For accepting each service of process upon the company, ten dollars]

17 **fees specified in section 374.230.**

374.150. 1. All fees due the state under the provisions of the insurance
2 laws of this state shall be paid to the director [of revenue] and deposited in the
3 state treasury to the credit of the insurance dedicated fund unless otherwise
4 provided for in subsection 2 of this section.

5 2. There is hereby established in the state treasury a special fund to be
6 known as the "Insurance Dedicated Fund". The fund shall be subject to
7 appropriation of the general assembly and shall be devoted solely to the payment
8 of expenditures incurred by the department attributable to duties performed by
9 the department for the regulation of the business of insurance, regulation of
10 health maintenance organizations and the operation of the division of consumer

11 affairs as required by law which are not paid for by another source of
12 funds. Other provisions of law to the contrary notwithstanding, beginning on
13 January 1, 1991, all fees charged under any provision of chapter 325, 354, 374,
14 375, 376, 377, 378, 379, 380, 381, 382, 383, 384 or 385 due the state shall be paid
15 into this fund. The state treasurer shall invest moneys in this fund in the same
16 manner as other state funds and any interest or earnings on such moneys shall
17 be credited to the insurance dedicated fund. The provisions of section 33.080
18 notwithstanding, moneys in the fund shall not lapse, be transferred to or placed
19 to the credit of the general revenue fund unless and then only to the extent to
20 which the unencumbered balance at the close of the biennium year exceeds two
21 times the total amount appropriated, paid, or transferred to the fund during such
22 fiscal year.

23 [3. Notwithstanding provisions of this section to the contrary, five
24 hundred thousand dollars of the insurance dedicated fund shall annually be
25 transferred and placed to the credit of the state general revenue fund on July
26 first beginning with fiscal year 2014.]

374.230. Every [insurance company doing business in this state]
2 **individual or entity making a filing with the department as described**
3 **in this section** shall pay to the director [of revenue] the following fees **and**
4 **charges, to be deposited into the insurance dedicated fund established**
5 **under section 374.150:**

6 (1) For filing the declaration required on organization of each domestic
7 company, [two hundred fifty] **one thousand** dollars;

8 (2) For filing statement and certified copy of charter required of foreign
9 companies, [two hundred fifty] **one thousand** dollars;

10 (3) For filing application to renew certificate of authority, along with all
11 required annual reports, including the annual statement, actuarial statement,
12 risk-based capital report, report of valuation of policies or other obligations of
13 assurance, and audited financial report annual statement of any company doing
14 business in this state, [one] **two thousand [five hundred]** dollars;

15 (4) For filing [supplementary annual statement of any company doing
16 business in this state, fifty] **the own risk and solvency assessment**
17 **summary report required under sections 382.500 to 382.550, or a**
18 **preacquisition notification required by sections 382.040 to 382.060 or**
19 **section 382.095, five hundred** dollars;

20 (5) **Except as otherwise provided in subdivision (4) of this section**

21 **or by any other provision of law, for any filings required under chapter**
22 **382, two hundred fifty dollars;**

23 (6) For filing any paper, document, or report **for which a filing fee is**
24 **not otherwise provided in another section of law, which is** not filed under
25 subdivision (1), (2), [or] (3), (4), **or (5) of this section,** but is required to be
26 filed in the office of the director, **one hundred** fifty dollars each];

27 (6) For a copy of a company's certificate of authority or producer or agent
28 license, ten dollars;

29 (7) For affixing the seal of office of the director, ten dollars;

30 (8) For accepting each service of process upon the company, ten dollars].
379.1545. Notwithstanding any other provision of law:

2 (1) An insurer may terminate or otherwise change the terms and
3 conditions of a policy of portable electronics insurance only upon providing the
4 policyholder and enrolled customers with at least thirty days' notice;

5 (2) If the insurer changes the terms and conditions of a policy of portable
6 electronics insurance, the insurer shall provide the vendor and any policyholders
7 with a revised policy or endorsement and each enrolled customer with a revised
8 certificate, endorsement, updated brochure, or other evidence indicating a change
9 in the terms and conditions has occurred and a summary of material changes;

10 (3) Notwithstanding subdivision (1) of this section, an insurer may
11 terminate an enrolled customer's enrollment under a portable electronics
12 insurance policy upon fifteen days' notice for discovery of fraud or material
13 misrepresentation in obtaining coverage or in the presentation of a claim
14 thereunder;

15 (4) Notwithstanding subdivision (1) of this section, an insurer may
16 immediately terminate an enrolled customer's enrollment under a portable
17 electronics insurance policy:

18 (a) For nonpayment of premium;

19 (b) If the enrolled customer ceases to have an active service with the
20 vendor of portable electronics; or

21 (c) If an enrolled customer exhausts the aggregate limit of liability, if any,
22 under the terms of the portable electronics insurance policy and the insurer sends
23 notice of termination to the customer within thirty calendar days after exhaustion
24 of the limit. However, if the notice is not timely sent, enrollment and coverage
25 shall continue notwithstanding the aggregate limit of liability until the insurer
26 sends notice of termination to the enrolled customer;

27 (5) Where a portable electronics insurance policy is terminated by a
28 policyholder, the policyholder shall mail or deliver written notice to each enrolled
29 customer advising the customer of the termination of the policy and the effective
30 date of termination. The written notice shall be mailed or delivered to the
31 customer at least thirty days prior to the termination;

32 (6) Whenever notice is required under this section, it shall be in writing
33 and may be mailed or delivered to the vendor at the vendor's mailing address and
34 to its affected enrolled customers' last known mailing addresses on file with the
35 insurer. If notice is mailed, the insurer or vendor, as the case may be, shall
36 maintain proof of mailing in a form authorized or accepted by the U.S. Postal
37 Service or other commercial mail delivery service. Alternatively, an insurer or
38 vendor policyholder may comply with any notice required by this section by
39 providing electronic notice to a vendor or its affected enrolled customers, as the
40 case may be, by electronic means. **For purposes of this subdivision,**
41 **agreement to receive notices and correspondence by electronic means**
42 **shall be determined in accordance with section 432.220.** Additionally, if
43 an insurer or vendor policyholder provides electronic notice to an affected enrolled
44 customer and such delivery by electronic means is not available or is
45 undeliverable, the insurer or vendor policyholder shall provide written notice to
46 the enrolled customer by mail in accordance with this section. If notice is
47 accomplished through electronic means, the insurer or vendor of portable
48 electronics, as the case may be, shall maintain proof that the notice was sent.

[374.115. Insurance examiners appointed or employed by
2 the director of the department of insurance, financial institutions
3 and professional registration shall be compensated according to the
4 applicable levels established and published by the National
5 Association of Insurance Commissioners.]

[382.278. The provisions of subdivisions (13) and (14) of
2 subsection 1 of section 382.050, subdivision (5) of subsection 1 of
3 section 382.110, and sections 382.175 and 382.220 shall not apply
4 to an insurance holding company or its affiliates if the insurance
5 company affiliates of such insurance holding company had total
6 premiums, direct and ceded, of less than one hundred fifty million
7 dollars in the preceding year and such insurance holding company
8 certifies in writing to the director that more than twenty-five
9 percent of the employees of its affiliates, not including insurance

10 affiliates or the holding company itself, are engaged in agricultural
11 operations.]

Section B. The repeal of section 374.115 and the repeal and enactment of
2 sections 354.150, 354.495, 374.150, and 374.230 of this act shall become effective
3 January 1, 2019.

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Unofficial

Bill

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