

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]

SENATE BILL NO. 708

99TH GENERAL ASSEMBLY

2018

4672S.01T

AN ACT

To repeal sections 105.1073, 303.020, 303.030, 303.120, 303.190, 303.240, 379.110, and 379.118, RSMo, and to enact in lieu thereof nine new sections relating to motor vehicle financial responsibility, with an effective date for certain sections.

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

Section A. Sections 105.1073, 303.020, 303.030, 303.120, 303.190, 303.240, 379.110, and 379.118, RSMo, are repealed and nine new sections enacted in lieu thereof, to be known as sections 105.1073, 303.020, 303.022, 303.030, 303.120, 303.190, 303.240, 379.110, and 379.118, to read as follows:

105.1073. Motor vehicle, aircraft, or marine liability insurance acquired pursuant to sections 105.1070 to 105.1079 shall provide coverage for state employees, members of the Missouri National Guard, or agents while operating state-controlled motor vehicles, aircraft, or marine vessels on state business in the course of their employment, military duties, or within the scope of their agency, subject to the following minimum amounts exclusive of interest and costs:

(1) Not less than twenty-five thousand dollars because of bodily injury to, or the death of, one person in any one accident;

(2) Subject to the limit in subdivision (1), not less than fifty thousand dollars because of bodily injury to, or death of, two or more persons in any one accident; and

(3) Not less than **[ten] twenty-five** thousand dollars because of injury to, or destruction of, property of others in any one accident.

303.020. As used in this chapter the following words and phrases shall

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

2 mean:

3 (1) "Chauffeur", a person who is employed for the principal purpose of
4 operating a motor vehicle or any person who drives a motor vehicle while in use
5 as a public or common carrier of persons or property for hire;

6 (2) "Director", director of revenue of the state of Missouri, acting directly
7 or through his authorized officers and agents;

8 (3) "Judgment", a final judgment by a court of competent jurisdiction of
9 any state or of the United States, upon a claim for relief for damages, including
10 damages for care and loss of services, because of bodily injury to or death of any
11 person, or for damages because of injury to or destruction of property, including
12 the loss of use thereof, or upon a claim for relief on any agreement or settlement
13 for such damages arising out of the ownership, maintenance or use of any motor
14 vehicle;

15 (4) "License", an operator's or driver's license, temporary instruction
16 permit, chauffeur's or registered operator's license issued under the laws of this
17 state;

18 (5) "Motor vehicle", a self-propelled vehicle which is designed for use upon
19 a highway, except trailers designed for use with such vehicles, traction engines,
20 road rollers, farm tractors, tractor cranes, power shovels, well drillers and
21 motorized bicycles, as defined in section 307.180, and every vehicle which is
22 propelled by electric power obtained from overhead wires but not operated upon
23 rails;

24 (6) "Nonresident", a person not a resident of the state of Missouri;

25 (7) "Nonresident's operating privilege", the privilege conferred upon a
26 nonresident by the laws of this state pertaining to the operation by him of a
27 motor vehicle, or the use of a motor vehicle owned by him in this state;

28 (8) "Operator", a person who is in actual physical control of a motor
29 vehicle;

30 (9) "Owner", a person who holds the legal title to a motor vehicle; or in the
31 event a motor vehicle is the subject of an agreement for the conditional sale or
32 lease thereof with the right of purchase upon performance of the conditions stated
33 in the agreement and with an immediate right of possession vested in the
34 conditional vendee or lessee, or in the event a mortgagor of a motor vehicle is
35 entitled to possession thereof, then such conditional vendee or lessee or
36 mortgagor;

37 (10) "Proof of financial responsibility", proof of ability to respond in
38 damages for liability, on account of accidents occurring subsequent to the effective
39 date of said proof, arising out of the ownership, maintenance or use of a motor
40 vehicle, in the amount of twenty-five thousand dollars because of bodily injury to
41 or death of one person in any one accident, and, subject to said limit for one
42 person, in the amount of fifty thousand dollars because of bodily injury to or
43 death of two or more persons in any one accident, and in the amount of [ten]
44 **twenty-five** thousand dollars because of injury to or destruction of property of
45 others in any one accident;

46 (11) "Registration", registration certificate or certificates and registration
47 plates issued under the laws of this state pertaining to the registration of motor
48 vehicles;

49 (12) "State", any state, territory or possession of the United States, the
50 District of Columbia, or any province of the Dominion of Canada;

51 (13) "Street" or "highway", the entire width between property lines of
52 every way or place of whatever nature when any part thereof is open to the use
53 of the public, as a matter of right, for purposes of vehicular traffic.

**303.022. Sections 105.1073, 303.020, 303.030, 303.120, 303.190, and
2 303.240 shall apply to motor vehicle liability policies, as defined in
3 section 303.190, that are issued or renewed in Missouri on or after July
4 1, 2019, and to any applicable filing under section 303.240 or
5 subdivisions (2), (3), or (4) of subsection 1 of section 303.160 that goes
6 into effect on or after July 1, 2019. A motor vehicle liability policy in
7 effect prior to July 1, 2019, shall continue to constitute proof of
8 compliance with the provisions of this chapter for the remainder of the
9 term of that policy.**

303.030. 1. If within twenty days after the receipt of a report of a motor
2 vehicle accident within this state which has resulted in bodily injury or death, or
3 damage to the property of any one person in excess of five hundred dollars, the
4 director does not have on file evidence satisfactory to him that the person who
5 would otherwise be required to file security under subsection 2 of this section has
6 been released from liability, or has been finally adjudicated not to be liable, or
7 has executed a duly acknowledged written agreement providing for the payment
8 of an agreed amount in installments with respect to all claims for injuries or
9 damages resulting from the accident, the director shall determine the amount of

10 security which shall be sufficient in his judgment to satisfy any judgment for
11 damages resulting from such accident as may be recovered against each operator
12 or owner. Any person challenging the director's determination shall have the
13 burden of proving he or she was not at fault.

14 2. The director shall, within ninety days after the receipt of such report
15 of a motor vehicle accident, suspend the license of each operator, and all
16 registrations of each owner of a motor vehicle, in any manner involved in such
17 accident, and if such operator is a nonresident the privilege of operating a motor
18 vehicle within this state, and if such owner is a nonresident the privilege of the
19 use within this state of any motor vehicle owned by him, unless such operator or
20 owner or both shall deposit security in the sum so determined by the director;
21 provided notice of such suspension shall be sent by the director to such operator
22 and owner not less than ten days prior to the effective date of such suspension
23 and shall state the amount required as security; provided, however, that the
24 period of suspension provided for in this section shall be in addition to any period
25 of suspension imposed under sections 303.041 and 303.042.

26 3. Where erroneous information is given the director with respect to the
27 matters set forth in subdivision (1), (2) or (3) of subsection 4 of this section, he
28 shall take appropriate action as hereinbefore provided, within forty-five days
29 after receipt by him of correct information with respect to said matters.

30 4. This section shall not apply under the conditions stated in section
31 303.070, nor:

32 (1) To such operator or owner if such owner had in effect at the time of
33 such accident an automobile liability policy with respect to the motor vehicle
34 involved in such accident;

35 (2) To such operator, if not the owner of such motor vehicle, if there was
36 in effect at the time of such accident an automobile liability policy or bond with
37 respect to his operation of motor vehicles not owned by him;

38 (3) To such operator or owner if the liability of such operator or owner for
39 damages resulting from such accident is, in the judgment of the director, covered
40 by any other form of liability insurance policy or bond; nor

41 (4) To any person qualifying as a self-insurer under section 303.220, nor
42 to any person operating a motor vehicle for such self-insurer.

43 5. No such policy or bond shall be effective under this section unless
44 issued by an insurance company or surety company authorized to do business in

45 this state, except that if such motor vehicle was not registered in this state, or
46 was a motor vehicle which was registered elsewhere than in this state at the
47 effective date of the policy or bond, or the most recent renewal thereof, such
48 policy or bond shall not be effective under this section unless the insurance
49 company or surety company, if not authorized to do business in this state, shall
50 execute a power of attorney authorizing the director to accept service on its behalf
51 of notice or process in any action upon such policy or bond arising out of such
52 accident; provided, however, every such policy or bond is subject, if the accident
53 has resulted in bodily injury or death, to a limit, exclusive of interest and costs,
54 of not less than twenty-five thousand dollars because of bodily injury to or death
55 of one person in any one accident and, subject to said limit for one person, to a
56 limit of not less than fifty thousand dollars because of bodily injury to or death
57 of two or more persons in any one accident, and, if the accident has resulted in
58 injury to or destruction of property, to a limit of not less than **[ten] twenty-five**
59 thousand dollars because of injury to or destruction of property of others in any
60 one accident.

303.120. 1. Judgments herein referred to shall, for the purpose of this
2 chapter only, be deemed satisfied:

3 (1) When twenty-five thousand dollars has been credited upon any
4 judgment or judgments rendered in excess of that amount because of bodily injury
5 to or death of one person as the result of any one accident; or

6 (2) When, subject to such limit of twenty-five thousand dollars because of
7 bodily injury to or death of one person, the sum of fifty thousand dollars has been
8 credited upon any judgment or judgments rendered in excess of that amount
9 because of bodily injury to or death of two or more persons as the result of any
10 one accident; or

11 (3) When **[ten] twenty-five** thousand dollars has been credited upon any
12 judgment or judgments rendered in excess of that amount because of injury to or
13 destruction of property of others as a result of any one accident.

14 2. Payments made in settlement of any claims because of bodily injury,
15 death or property damage arising from a motor vehicle accident shall be credited
16 in reduction of the amounts provided for in this section.

303.190. 1. A "motor vehicle liability policy" as said term is used in this
2 chapter shall mean an owner's or an operator's policy of liability insurance,
3 certified as provided in section 303.170 or section 303.180 as proof of financial

4 responsibility, and issued, except as otherwise provided in section 303.180 by an
5 insurance carrier duly authorized to transact business in this state, to or for the
6 benefit of the person named therein as insured.

7 2. Such owner's policy of liability insurance:

8 (1) Shall designate by explicit description or by appropriate reference all
9 motor vehicles with respect to which coverage is thereby to be granted;

10 (2) Shall insure the person named therein and any other person, as
11 insured, using any such motor vehicle or motor vehicles with the express or
12 implied permission of such named insured, against loss from the liability imposed
13 by law for damages arising out of the ownership, maintenance or use of such
14 motor vehicle or motor vehicles within the United States of America or the
15 Dominion of Canada, subject to limits, exclusive of interest and costs, with
16 respect to each such motor vehicle, as follows: twenty-five thousand dollars
17 because of bodily injury to or death of one person in any one accident and, subject
18 to said limit for one person, fifty thousand dollars because of bodily injury to or
19 death of two or more persons in any one accident, and **[ten] twenty-five**
20 thousand dollars because of injury to or destruction of property of others in any
21 one accident; and

22 (3) May exclude coverage against loss from liability imposed by law for
23 damages arising out of the use of such motor vehicles by a member of the named
24 insured's household who is a specifically excluded driver in the policy.

25 3. Such operator's policy of liability insurance shall insure the person
26 named as insured therein against loss from the liability imposed upon him or her
27 by law for damages arising out of the use by him or her of any motor vehicle not
28 owned by him or her, within the said territorial limits and subject to the same
29 limits of liability as are set forth above with respect to any owner's policy of
30 liability insurance.

31 4. Such motor vehicle liability policy shall state the name and address of
32 the named insured, the coverage afforded by the policy, the premium charged
33 therefor, the policy period and the limits of liability, and shall contain an
34 agreement or be endorsed that insurance is provided thereunder in accordance
35 with the coverage defined in this chapter as respects bodily injury and death or
36 property damage, or both, and is subject to all the provisions of this chapter.

37 5. Such motor vehicle liability policy need not insure any liability
38 pursuant to any workers' compensation law nor any liability on account of bodily

39 injury to or death of an employee of the insured while engaged in the
40 employment, other than domestic, of the insured, or while engaged in the
41 operation, maintenance or repair of any such motor vehicle nor any liability for
42 damage to property owned by, rented to, in charge of or transported by the
43 insured.

44 6. Every motor vehicle liability policy shall be subject to the following
45 provisions which need not be contained therein:

46 (1) The liability of the insurance carrier with respect to the insurance
47 required by this chapter shall become absolute whenever injury or damage
48 covered by said motor vehicle liability policy occurs; said policy may not be
49 cancelled or annulled as to such liability by any agreement between the insurance
50 carrier and the insured after the occurrence of the injury or damage; no statement
51 made by the insured or on his or her behalf and no violation of said policy shall
52 defeat or void said policy;

53 (2) The satisfaction by the insured of a judgment for such injury or
54 damage shall not be a condition precedent to the right or duty of the insurance
55 carrier to make payment on account of such injury or damage;

56 (3) The insurance carrier shall have the right to settle any claim covered
57 by the policy, and if such settlement is made in good faith, the amount thereof
58 shall be deductible from the limits of liability specified in subdivision (2) of
59 subsection 2 of this section;

60 (4) The policy, the written application thereof, if any, and any rider or
61 endorsement which does not conflict with the provisions of this chapter shall
62 constitute the entire contract between the parties.

63 7. Any policy which grants the coverage required for a motor vehicle
64 liability policy may also grant any lawful coverage in excess of or in addition to
65 the coverage specified for a motor vehicle liability policy and such excess or
66 additional coverage shall not be subject to the provisions of this chapter. With
67 respect to a policy which grants such excess or additional coverage the term
68 "motor vehicle liability policy" shall apply only to that part of the coverage which
69 is required by this section.

70 8. Any motor vehicle liability policy may provide that the insured shall
71 reimburse the insurance carrier for any payment the insurance carrier would not
72 have been obligated to make under the terms of the policy except for the
73 provisions of this chapter.

74 9. Any motor vehicle liability policy may provide for the prorating of the
75 insurance thereunder with other valid and collectible insurance.

76 10. The requirements of a motor vehicle liability policy may be fulfilled
77 by the policies of one or more insurance carriers which policies together meet
78 such requirements.

79 11. Any binder issued pending the issuance of a motor vehicle liability
80 policy shall be deemed to fulfill the requirement for such a policy.

303.240. 1. Proof of financial responsibility may be evidenced by the
2 certificate of the state treasurer that the person named therein has deposited
3 with him ~~[sixty]~~ **seventy-five** thousand dollars in cash, or securities such as may
4 legally be purchased by savings banks or for trust funds of a market value of
5 ~~[sixty]~~ **seventy-five** thousand dollars. The state treasurer shall not accept any
6 such deposit and issue a certificate therefor and the director shall not accept such
7 certificate unless accompanied by evidence that there are no unsatisfied
8 judgments of any character against the depositor in the county where the
9 depositor resides.

10 2. Such deposit shall be held by the state treasurer to satisfy, in
11 accordance with the provisions of this chapter, any execution on a judgment
12 issued against such person making the deposit, for damages, including damages
13 for care and loss of services because of bodily injury to or death of any person, or
14 for damages because of injury to or destruction of property, including the loss of
15 use thereof, resulting from the ownership, maintenance, use or operation of a
16 motor vehicle after such deposit was made. Money or securities so deposited shall
17 not be subject to attachment or execution unless such attachment or execution
18 shall arise out of a suit for damages as aforesaid.

379.110. As used in sections 379.110 to 379.120 the following words and
2 terms mean:

3 (1) "Insurer", any insurance company, association or exchange authorized
4 to issue policies of automobile insurance in the state of Missouri;

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

10 (3) "Policy", an automobile policy providing automobile liability coverage,

11 uninsured motorists coverage, automobile medical payments coverage, or
12 automobile physical damage coverage insuring a private passenger automobile
13 owned by an individual or partnership which has been in effect for more than
14 sixty days or has been renewed. "Policy" does not mean:

15 (a) Any policy issued under an automobile assigned risk plan or
16 automobile insurance plan;

17 (b) Any policy insuring more than four motor vehicles;

18 (c) Any policy covering the operation of a garage, automobile sales agency,
19 repair shop, service station or public parking place;

20 (d) Any policy providing insurance only on an excess basis, or to any
21 contract principally providing insurance to such named insured with respect to
22 other than automobile hazards or losses even though such contract may
23 incidentally provide insurance with respect to such motor vehicles;

24 (4) **"Reduction in coverage", a change made at renewal by the**
25 **insurer to a policy form which is effective to all insureds with that**
26 **policy form, which results in a removal of coverage, diminution in**
27 **scope or less coverage, or the addition of an exclusion. Reduction in**
28 **coverage does not include any change, reduction, or elimination of**
29 **coverage made at the request of the insured. The correction of**
30 **typographical or scrivener's errors or the application of mandated**
31 **legislative changes is not a reduction in coverage. A reduction in**
32 **coverage mandated by the insurer which does not apply to all insureds**
33 **with the same policy form shall be treated as a nonrenewal.**

34 (5) "Renewal" or "to renew", the issuance and delivery by an insurer of a
35 policy superseding at the end of the policy period a policy previously issued and
36 delivered by the same insurer, [such renewal policy to provide types and limits
37 of coverage at least equal to those contained in the policy being superseded,] or
38 the issuance and delivery of a certificate or notice extending the term of a policy
39 beyond its policy period or term [with types and limits of coverage at least equal
40 to those contained in the policy being extended]; provided, however, that any
41 policy with a policy period or term of less than six months or any period with no
42 fixed expiration date shall for the purpose of this section be considered as if
43 written for successive policy periods or terms of six months. Nothing in this
44 subdivision shall be construed as superseding the provisions of subsection 9 of
45 section 375.918, and the term "third anniversary date of the initial contract" as

46 used in subsection 9 of section 375.918, means three years after the date of the
47 initial contract.

379.118. 1. If any insurer proposes to cancel or to refuse to renew a policy
2 of automobile insurance delivered or issued for delivery in this state except at the
3 request of the named insured or for nonpayment of premium, it shall, on or before
4 thirty days prior to the proposed effective date of the action, send written notice
5 of its intended action to the named insured at his last known address. Notice
6 shall be sent by United States Postal Service certificate of mailing, first class
7 mail using Intelligent Mail barcode (IMb), or another mail tracking method used,
8 approved, or accepted by the United States Postal Service. Where cancellation
9 is for nonpayment of premium at least ten days' notice of cancellation shall be
10 given and such notice shall contain the following notice or substantially similar
11 in bold conspicuous type: "THIS POLICY IS CANCELLED EFFECTIVE AT THE
12 DATE AND TIME INDICATED IN THIS NOTICE. THIS IS THE FINAL
13 NOTICE OF CANCELLATION WE WILL SEND PRIOR TO THE EFFECTIVE
14 DATE AND TIME OF CANCELLATION INDICATED IN THIS NOTICE.". The
15 notice shall state:

- 16 (1) The action taken;
- 17 (2) The effective date of the action;
- 18 (3) The insurer's actual reason for taking such action, the statement of
19 reason to be sufficiently clear and specific so that a person of average intelligence
20 can identify the basis for the insurer's decision without further
21 inquiry. Generalized terms such as "personal habits", "living conditions", "poor
22 morals", or "violation or accident record" shall not suffice to meet the
23 requirements of this subdivision;
- 24 (4) That the insured may be eligible for insurance through the assigned
25 risk plan if his insurance is to be cancelled.

26 2. Issuance of a notice of cancellation under subsection 1 of this section
27 constitutes a present and unequivocal act of cancellation of the policy.

28 3. An insurer may reinstate a policy cancelled under subsection 1 of this
29 section at any time after the notice of cancellation is issued if the reason for the
30 cancellation is remedied. An insurer may send communications to the insured,
31 including but not limited to billing notices for past-due premium, offers to
32 reinstate the policy if past-due premium is paid, notices confirming cancellation
33 of the policy, or billing notices for payment of earned but unpaid premium. The

34 fact that a policy may be so reinstated or any such communication may be made
35 does not invalidate or void any cancellation effectuated under subsection 1 of this
36 section or defeat the present and unequivocal nature of acts of cancellation as
37 described under subsection 2 of this section.

38 4. **(1)** An insurer shall send an insured written notice of an automobile
39 policy renewal at least fifteen days prior to the effective date of the new
40 policy. The notice shall be sent by first class mail or may be sent electronically
41 if requested by the policyholder, and shall contain the insured's name, the vehicle
42 covered, the total premium amount, and the effective date of the new policy. Any
43 request for electronic delivery of renewal notices shall be designated on the
44 application form signed by the applicant, made in writing by the policyholder, or
45 made in accordance with sections 432.200 to 432.295. The insurer shall comply
46 with any subsequent request by a policyholder to rescind authorization for
47 electronic delivery and to elect to receive renewal notices by first class mail. Any
48 delivery of a renewal notice by electronic means shall not constitute notice of
49 cancellation of a policy even if such notice is included with the renewal notice.

50 **(2) An insurer shall provide a written notice of a reduction in**
51 **coverage to the named insured no less than fifteen days prior to the**
52 **effective date of the proposed reduction in coverage or shall send such**
53 **notice of reduction in coverage with the written notice of renewal**
54 **described in subdivision (1) of this subsection. Written notice of a**
55 **reduction in coverage may be satisfied by providing the named insured**
56 **a copy of or access to the updated policy form or the policy form**
57 **language that will be changed. The notice shall be sent by first class**
58 **mail or may be sent electronically if agreed to or requested by the**
59 **policyholder.**

60 5. An insurer shall be exempt from the requirements of this section
61 regarding notice of nonrenewal if:

62 (1) The insurer assigns or transfers the insured's policy to an affiliate or
63 subsidiary within the same insurance holding company system;

64 (2) The assignment or transfer is effective upon the expiration of the
65 existing policy; and

66 (3) Prior to providing coverage for a subsequent policy term, an insurer
67 accepting an assignment or transfer of the policy shall provide notice of such
68 assignment or transfer to the named insured.

69 However, if the assignment or transfer of a policy does not result in coverage
70 substantially equivalent to the coverage that was contained in the policy being
71 assigned or transferred, the insurer shall, in lieu of providing the notice in
72 subdivision (3) of this subsection, at least fifteen days in advance of the effective
73 date of the assignment or transfer, notify the policyholder that some coverage
74 provisions will change due to the assignment or transfer, advise the policyholder
75 to refer to the new policy for coverage details, and provide a copy of or access to
76 the replacement policy form or the executed replacement policy.

Section B. The repeal and reenactment of sections 105.1073, 303.020,
2 303.030, 303.120, 303.190, and 303.240 and the enactment of section 303.022 of
3 this act shall become effective July 1, 2019.

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Bill

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