

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 295

101ST GENERAL ASSEMBLY

1163S.04C

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 507.184, RSMo, and to enact in lieu thereof two new sections relating to settlements involving minors.

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

Section A. Section 507.184, RSMo, is repealed and two new
2 sections enacted in lieu thereof, to be known as sections
3 436.700 and 507.184, to read as follows:

436.700. 1. The provisions of this section shall be
2 known and cited as the "Missouri Statutory Thresholds for
3 Settlements Involving Minors Act".

4 2. A person having legal custody of a minor may enter
5 into a settlement agreement with any person or entity
6 against whom the minor has a claim if:

7 (1) A conservator or guardian ad litem has not been
8 appointed for the minor;

9 (2) The total amount of the claim, including
10 reimbursement of medical expenses, liens, reasonable
11 attorney's fees, and costs, is thirty-five thousand dollars
12 or less if paid in cash, by draft, or if paid by the
13 purchase of a premium for an annuity;

14 (3) The moneys paid pursuant to the settlement
15 agreement will be paid as set forth in subsections 5 and 6
16 of this section; and

17 (4) The person entering into the settlement agreement
18 on behalf of the minor completes an affidavit or verified
19 statement that attests that the person has made a reasonable
20 inquiry and that:

21 (a) To the best of the person's knowledge, the minor
22 will be fully compensated by the settlement; or

23 (b) There is no practical way to obtain additional
24 amounts from the person or entity entering into the
25 settlement agreement with the minor.

26 3. The attorney representing the person entering into
27 the settlement agreement on behalf of the minor, if any,
28 shall maintain the affidavit or verified statement completed
29 pursuant to subdivision (4) of subsection 2 of this section
30 in the attorney's file for at least six years in accordance
31 with the Missouri supreme court rules of professional
32 conduct.

33 4. The amount of the settlement described in
34 subdivision (2) of subsection 2 of this section shall be
35 increased every five years beginning January 1, 2027, based
36 on the Consumer Price Index for All Urban Consumers for the
37 United States (CPI-U), or its successor index, as such index
38 is defined and officially reported by the United States
39 Department of Labor, or its successor agency. For purposes
40 of this section, any increase in the consumer price index
41 shall be determined based upon the percentage increase of
42 the consumer price index for the preceding calendar year
43 over the consumer price index for the calendar year five
44 years prior thereto.

45 5. The moneys payable in the settlement agreement
46 shall be paid as follows:

47 (1) If the minor or person entering into the
48 settlement agreement on behalf of the minor is represented

49 by an attorney and the settlement is paid in cash, by draft,
50 or by direct deposit into the attorney's trust account
51 maintained pursuant to supreme court rules to be held for
52 the benefit of the minor, the attorney shall deposit the
53 moneys received on behalf of the minor directly into a
54 uniform transfer to minors account for the sole benefit of
55 the minor. The attorney shall provide notice of the deposit
56 to the minor and the person entering into the settlement
57 agreement on behalf of the minor. Notice shall be delivered
58 by personal service or first class mail;

59 (2) If the minor or person entering into the
60 settlement agreement on behalf of the minor is not
61 represented by an attorney and the settlement is paid:

62 (a) In cash or by draft, the person entering into the
63 settlement agreement on behalf of the minor shall deposit
64 the moneys directly into a uniform transfer to minors
65 account for the sole benefit of the minor; or

66 (b) By direct deposit, the person entering into the
67 settlement agreement on behalf of the minor shall provide
68 the person or entity with whom the minor has settled the
69 claim with information sufficient to complete an electronic
70 transfer of settlement funds within ten business days of the
71 settlement into a uniform transfer to minors account for the
72 sole benefit of the minor and the person or entity with whom
73 the minor has settled shall provide notice of the electronic
74 transfer by personal service or first-class mail to the
75 minor and the person entering the settlement agreement on
76 behalf of the minor;

77 (3) If paid by purchase of an annuity, the moneys
78 shall be paid by direct payment to the provider of the
79 annuity with the minor designated as the sole beneficiary of
80 the annuity; or

81 (4) If the minor is in the custody of the state and
82 the settlement is paid in cash, the moneys shall be
83 deposited directly into a trust account or subaccount of a
84 trust account established by the children's division of the
85 department of social services for the purpose of receiving
86 moneys payable to the minor in the custody of the state
87 under the settlement agreement and that earns interest for
88 the benefit of the minor in the custody of the state.

89 6. The moneys in the minor's savings account, trust
90 account, or trust subaccount established in subsection 5 of
91 this section may not be withdrawn, removed, paid out, or
92 transferred to any person, including the minor, except as
93 follows:

- 94 (1) Pursuant to a court order;
95 (2) Upon the minor's attainment of eighteen years of
96 age;
97 (3) At the direction of a duly appointed conservator;
98 (4) At the direction of the custodian for the uniform
99 transfer to minors account for the sole benefit of the
100 minor; or
101 (5) Upon the minor's death.

102 7. If a settlement agreement is entered into in
103 compliance with subsection 2 of this section, the signature
104 of the person entering into the settlement agreement on
105 behalf of the minor is binding on the minor without the need
106 for further court approval or review and has the same force
107 and effect as if the minor were a competent adult entering
108 into the settlement agreement.

109 8. A person acting in good faith in entering into a
110 settlement agreement on behalf of a minor pursuant to this
111 section shall not be liable to the minor for the moneys paid

112 in the settlement or for any other claims arising out of the
113 settlement of the claim.

114 9. Any person or entity against whom a minor has a
115 claim, including any insurer of a person or entity against
116 whom a minor has a claim, that settles the claim with the
117 minor in good faith pursuant to this section shall not be
118 liable to the minor for any claims arising from the
119 settlement of the claim.

507.184. 1. The next friend, guardian ad litem or
2 guardian or conservator shall have the power and authority,
3 subject to the approval of the court, to waive a jury and
4 submit all issues in such action or proposed settlement to
5 the court for determination.

6 2. The next friend, guardian ad litem or guardian or
7 conservator shall have the power and authority to contract
8 on behalf of the minor for a settlement of the minor's
9 claim, action or judgment, provided that such contract and
10 settlement shall not be effective until approved by the
11 court. The next friend, guardian ad litem and guardian or
12 conservator shall also have the power and authority to
13 execute and sign a release or satisfaction and discharge of
14 a judgment which shall be binding upon the minor, provided
15 the court orders the execution of such release or
16 satisfaction and discharge of judgment.

17 3. The court shall have the power and authority to
18 hear evidence on and either approve or disapprove a proposed
19 contract to settle an action or claim of a minor, to
20 authorize and order the next friend, guardian ad litem or
21 guardian or conservator to execute and sign a release or
22 satisfaction and discharge of judgment, and shall also have
23 the power and authority to approve a fee contract between
24 the next friend, guardian ad litem or guardian or

25 conservator and an attorney and to order him to pay an
26 attorney fee and to pay the expenses which have been
27 reasonably incurred in connection with the preparation and
28 prosecution of the action or claim and including the cost of
29 any bonds required herein.

30 **4. Notwithstanding the provisions of this section to**
31 **the contrary, nothing in this section shall be construed as**
32 **prohibiting the settlement of claims pursuant to section**
33 **436.700 or as requiring court approval of settlements**
34 **pursuant to section 436.700.**

✓