

## SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 1543

AN ACT

To repeal sections 33.080, 325.055, and 375.991, RSMo, and to enact in lieu thereof thirty-two new sections relating to homeowner's insurance, with penalty provisions.

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

Section A. Sections 33.080, 325.055, and 375.991, RSMo, are repealed and thirty-two new sections enacted in lieu thereof, to be known as sections 33.080, 325.052, 325.055, 375.939, 375.991, 379.135, 379.162, 379.163, 379.3000, 379.3005, 379.3010, 379.3015, 379.3020, 379.3025, 379.3030, 379.3035, 379.3040, 379.3042, 379.3045, 379.3050, 379.3055, 379.3100, 379.3105, 379.3110, 379.3115, 379.3120, 379.3125, 379.3130, 379.3135, 379.3140, 380.661, and 380.671, to read as follows:

33.080. 1. All fees, funds and moneys from whatsoever source received by any department, board, bureau, commission, institution, official or agency of the state government by virtue of any law or rule or regulation made in accordance with any law, excluding all funds received and disbursed by the state on behalf of counties and cities, towns and villages shall, by the official authorized to receive same, and at stated intervals of not more than thirty days, be placed in the state treasury to the credit of the particular purpose or fund for which collected, and shall be subject to appropriation by the general assembly for the particular purpose or fund for which collected during the biennium in which collected and appropriated. The unexpended balance remaining in all such funds (except

such unexpended balance as may remain in any fund authorized, collected and expended by virtue of the provisions of the constitution of this state) shall at the end of the biennium and after all warrants on same have been discharged and the appropriation thereof has lapsed, be transferred and placed to the credit of the general revenue fund of the state by the state treasurer. Any official or any person who shall willfully fail to comply with any of the provisions of this section, and any person who shall willfully violate any provision hereof, shall be deemed guilty of a misdemeanor; provided, that all such money received by the curators of the University of Missouri except those funds required by law or by instrument granting the same to be paid into the seminary fund of the state, is excepted herefrom, and in the case of other state educational institutions there is excepted herefrom, gifts or trust funds from whatever source; appropriations; gifts or grants from the federal government, private organizations and individuals; funds for or from student activities; farm or housing activities; and other funds from which the whole or some part thereof may be liable to be repaid to the person contributing the same; and hospital fees. All of the above excepted funds shall be reported in detail quarterly to the governor and biennially to the general assembly.

2. Notwithstanding any provision of law to the contrary concerning the transfer of funds, ~~ten~~ twelve million dollars shall be transferred from the insurance dedicated fund established under section 374.150, and placed to the credit of the ~~rebuild damaged infrastructure~~ Missouri's stronger homes fund created in section ~~33.295~~ 379.3115 on ~~July 1, 2013~~ July 1, 2027 and amounts as specified under section 379.3115 on an annual basis commencing July 1, 2028 and ending on July 30, 2037.

325.052. 1. Except as otherwise specified in this section, a public adjuster may receive a commission for services provided under this chapter consisting of an hourly fee, a flat rate, a percentage of the total amount paid by an insurer to resolve a claim, or another method of compensation. The total commission received by a public adjuster shall not, in any circumstance, exceed ten percent of the amount of the total of the insurance settlement on the claim.

2. A public adjuster shall not receive a fee or commission based on a percentage of the total amount paid by an insurer to settle a claim if, within ten days of reporting the loss, the insurer either pays or commits in writing to pay the insured the policy limits.

3. A public adjuster shall not accept any payment or compensation that violates the provisions of this section.

4. A public adjuster is entitled to reasonable compensation from the insured for services provided by a public adjuster on behalf of the insured, based on the actual time spent on a claim that is subject to this section and expenses incurred by a public adjuster, until the claim is paid or the insured receives a written commitment to pay from the insurer.

5. Notwithstanding any authorization, contract, or agreement the insured may have given to a public adjuster, a public adjuster shall not sign or endorse any payment draft or check on behalf of an insured.

6. Notwithstanding any authorization, contract, or agreement the insured may have given to a public adjuster, a public adjuster shall not represent himself or herself in any communication as the insured. All communications from a public adjuster shall clearly identify himself or herself as a public adjuster.

7. All contracts with a public adjuster shall include the following disclaimer, placed immediately above the signature of the insured, in a bold, twelve-point font:

"YOU DON'T HAVE TO HIRE A PUBLIC ADJUSTER TO FILE A CLAIM WITH YOUR INSURANCE COMPANY. IF YOU HIRE A PUBLIC ADJUSTER, YOU WILL HAVE TO PAY ALL THE COSTS. THAT WILL REDUCE THE AMOUNT OF MONEY YOU GET FROM THE INSURANCE COMPANY TO REPAIR OR REBUILD YOUR HOME OR REPLACE YOUR BELONGINGS.

IF YOU NEED HELP WITH YOUR CLAIM, THE MISSOURI DEPARTMENT OF COMMERCE AND INSURANCE WILL HELP YOU FOR FREE. YOU CAN CALL THE DEPARTMENT AT 800-726-7390 OR FILE A COMPLAINT ONLINE AT INSURANCE.MO.GOV/CONSUMERS."

8. Any violation of subsections 1 to 7 of this section is a level two violation under section 374.049.

325.055. 1. No person, partnership, association or corporation, directly or indirectly, acting as a public adjuster or public adjuster solicitor licensed under the provisions of sections 325.010 to 325.055, may solicit, or enter into, an agreement for the repair or replacement of damaged property on which said public adjuster or public adjuster solicitor has been engaged to adjust or settle claims for losses or damages arising out of policies of fire or allied lines of insurances.

2. No person or entity may:

(1) Acting as a public adjuster, advertise or solicit business by representing they will or can adjust, negotiate or settle an insurance claim for which the contractor is providing or may provide contracting services, regardless of whether the contractor holds a license under this chapter or is authorized to act on behalf of the insured under a power of attorney or other agreement; or

(2) Advertise, market, offer, contract or otherwise represent to unjustifiably increase or inflate the value of an insurance claim or to waive, absorb, refund, rebate, pay or not collect the deductible amount agreed to under or imposed by the terms of the insurance policy.

3. For purposes of this section, the following terms shall mean:

(1) "Contractor", a person or entity in the business of contracting or offering to contract with the owner of residential, agricultural or commercial real estate to repair or replace roof systems or to erect, demolish, alter or repair improvements or to perform any other repair, replacement, construction, or reconstruction work on any residential, agricultural or commercial structure situated upon residential, agricultural or commercial real estate as a general contractor or a subcontractor;

(2) "Negotiate", the process of discussing or exchanging offers with an insurance company on an insured's behalf to reach an agreement with the insurance company on a settlement amount for a covered loss;

(3) "Roof system", includes roof coverings, roof sheathing, roof weatherproofing, and insulation.

4. The director shall adopt rules necessary to implement and enforce this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of

rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.

5. The director is authorized to pursue enforcement actions and order relief as set forth in sections 374.046 to 374.049.

375.939. 1. As used in this section, "assignment agreement" means any instrument by which post-loss benefits under any policy of insurance covering property, including, but not limited to, any right of action against the insurer or any proceeds acquired from the insurer are assigned, transferred, or acquired in any other manner, in whole or in part, to or from a person providing services, including, but not limited to, communicating with an insurer or on an insured's behalf or inspecting, estimating, protecting, repairing, restoring, or replacing the property or mitigating against further damage to the property.

2. (1) A person shall not solicit or accept an assignment, in whole or in part, of any post-loss insurance benefit for property damage under a contract of insurance. An assignment agreement is against public policy and is null and void, and any contract entered into in violation of this section shall be void and unenforceable; and

(2) The provisions of this subsection shall not apply to an assignment, transfer, pledge, or conveyance granted to a financial institution, mortgagee, lienholder or a subsequent purchaser of the property.

3. A violation of subsection 2 of this section shall be considered a level 2 violation under section 374.049.

4. Nothing in this section shall be construed to prohibit an insured from authorizing or directing payment to, or paying, a person for services, materials, or any other thing which may be, or is, covered under an insurance policy. Insurers shall issue payment directly to a person

for services, materials, and other items that are covered under an insurance policy, when the insured agrees that any person providing such services should be paid directly, subject to applicable liens.

375.991. 1. As used in sections 375.991 to 375.994, the term "statement" means any communication, notice statement, proof of loss, bill of lading, receipt for payment, invoice, account, estimate of damages, bills for services, diagnosis, prescription, hospital or doctor records, x-rays, test results or other evidence of loss, injury or expense.

2. For the purposes of sections 375.991 to 375.994, a person commits a "fraudulent insurance act" if such person knowingly presents, causes to be presented, or prepares with knowledge or belief that it will be presented, to or by an insurer, purported insurer, broker, or any agent thereof, any oral or written statement including computer generated documents as part of, or in support of, an application for the issuance of, or the rating of, an insurance policy for commercial or personal insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance, which such person knows to contain materially false information concerning any fact material thereto or if such person conceals, for the purpose of misleading another, information concerning any fact material thereto.

3. A "fraudulent insurance act" shall also include but not be limited to knowingly filing false insurance claims with an insurer, health services corporation, or health maintenance organization by engaging in any one or more of the following false billing practices:

(1) "Unbundling", an insurance claim by claiming a number of medical procedures were performed instead of a single comprehensive procedure;

(2) "Upcoding", an insurance claim by claiming that a more serious or extensive procedure was performed than was actually performed;

(3) "Exploding", an insurance claim by claiming a series of tests was performed on a single sample of blood, urine, or other bodily fluid, when actually the series of tests was part of one battery of tests; [or]

(4) "Duplicating", a medical, hospital or rehabilitative insurance claim made by a health care provider by resubmitting the claim through another health care provider in which the original health care provider has an ownership interest; or

(5) "Inflating", the intentional overstatement of the reasonable cost of goods or services or exaggeration of the extent of damage, injury, or loss by an insured, contractor, health care provider, or other service provider to increase the amount of an insurance claim payment or to offset the amount of the deductible the insured would otherwise be responsible for under the terms of the policy.

Nothing in sections 375.991 to 375.994 shall prohibit health care providers from making good faith efforts to ensure that claims for reimbursement are coded to reflect the proper diagnosis and treatment.

4. If, by its own inquiries or as a result of complaints, the department of commerce and insurance has reason to believe that a person has engaged in, or is engaging in, any fraudulent insurance act or has violated any provision of chapters 375 to 385, it may administer oaths and affirmations, serve subpoenas ordering the

attendance of witnesses or proffering of matter, [and] collect evidence, and issue an order to cease and desist, or issue a curative or summary order as set forth under section 374.046. The director may refer such evidence as is available concerning violations of this chapter to the proper prosecuting attorney or circuit attorney who may, with or without such reference, initiate the appropriate criminal proceedings.

5. If the matter that the department of commerce and insurance seeks to obtain by request is located outside the state, the person so requested may make it available to the department or its representative to examine the matter at the place where it is located. The department may designate representatives, including officials of the state in which the matter is located, to inspect the matter on its behalf, and it may respond to similar requests from officials of other states.

6. A fraudulent insurance act for a first offense is a class E felony. Any person who is found guilty of a fraudulent insurance act who has previously been found guilty of a fraudulent insurance act shall be guilty of a class D felony.

7. Any person who pleads guilty or is found guilty of a fraudulent insurance act shall be ordered by the court to make restitution to any person or insurer for any financial loss sustained as a result of such violation. The court shall determine the extent and method of restitution.

8. Nothing in this section shall limit the power of the state to punish any person for any conduct that constitutes a crime by any other state statute.

379.135. 1. Upon payment by an insurer of all or any part of a claimant's property damage claim, legal title to the portion of the claim paid shall vest in the insurer to

the extent of such payment. No assignment or other action by the claimant shall be required for the insurer to enforce its legal title. The claimant shall retain legal title only to that portion of the property damage claim not paid by the insurer.

2. Notwithstanding the provisions of subsection 1 of this section to the contrary, an insured under a policy of insurance shall not, before or after a claimed or covered loss, assign or otherwise transfer, in whole or in part, the insured's:

(1) Duties under the policy; or

(2) Rights or benefits arising from the policy or any duties owed by the insurer under the policy.

3. Any contract entered into in violation of this section shall be void and unenforceable.

4. Nothing in this section shall be construed to prohibit an insured from exercising any express authority granted under a policy of insurance to authorize or direct payment to, or to pay, a person for services, materials, or any other thing that may be, or is, covered under the policy.

379.162. 1. This section shall apply to all homeowners' policies issued, continued, or renewed on or after July 1, 2027.

2. As used in this section, the following words and terms shall mean:

(1) "Homeowner's policy", a homeowner's insurance policy, a dwelling-owner's insurance policy or a residential fire insurance policy covering real property within this state. For purposes of this section, this term shall not include a manufactured home or mobile homeowner's policy, a tenant's or renter's policy, or a condo owner's policy;

(2) "Insurer", all insurance companies, reciprocals, interinsurance exchanges licensed under this chapter, and

the property insurance inspection and placement program (the "FAIR" Plan), issuing and renewing residential property insurance policies;

(3) "Qualified inspector", a person who is:

(a) A roofing inspector that is accredited by the National Roof Certification and Inspection Association (NRCIA) or a nationally recognized equivalent; or

(b) A professional engineer or architect licensed under chapter 327; or

(c) A roofing contractor who has been in the roofing business for not less than ten years and who has evidence of the following:

a. A business registration with the Missouri secretary of state;

b. A valid Missouri sales tax number; and

c. Possesses a local contractor's license, where required by a local municipality or county; or

(d) Any other individual or entity recognized by the insurer as possessing the necessary qualifications to properly complete a general inspection of the roof of a residential structure insured under a homeowner's policy.

3. An insurer may not refuse to issue, cancel, or nonrenew a homeowner's policy insuring a residential structure with a roof that is less than fifteen years old solely because of the age of the roof.

4. For a roof that is fifteen years of age or older, an insurer shall allow a homeowner to have a roof inspection performed by a qualified inspector at the homeowner's expense before requiring the replacement of the roof of a residential structure as a condition of issuing, continuing, or renewing a homeowner's policy.

5. The insurer shall not refuse to issue, cancel, or refuse to renew a homeowner's policy solely because of the

roof's age if an inspection of the roof of the residential structure performed by a qualified inspector indicates that the roof has five years or more of useful life remaining.

6. For purposes of this section, a roof's age shall be calculated using the last date on which one hundred percent of the roof's surface area was built or replaced or the initial date of a partial roof replacement when subsequent partial roof builds or replacements were completed that resulted in one hundred percent of the roof's surface area being built or replaced.

7. This section shall not:

(1) Limit the ability of an insurer to refuse to issue, cancel, or nonrenew any homeowner's policy on any other grounds, including, but not limited to, that the structure does not otherwise meet underwriting criteria applicable to replacement cost or law and ordinance coverage or for other reasons not prohibited under Missouri law.

(2) Prohibit an insurer from limiting its liability under a policy or endorsement through a deductible or to direct physical loss caused by a covered peril.

379.163. 1. As used in this section, the following terms shall mean:

(1) "Replacement cost coverage", "replacement cost value", or "RCV", the coverage that ultimately pays the estimated cost to repair or replace covered property at the time of the loss or damage without deduction for depreciation. "Replacement cost value" is not the market value, but it is instead the cost to repair or replace covered property to its pre-loss condition;

(2) "Residential property insurance policy", a homeowner's insurance, dwelling-owner's insurance, residential fire insurance, condo owner's insurance, or

manufactured home or mobile homeowner's insurance written upon property within this state;

(3) "Withheld recoverable depreciation" or "replacement cost holdback", the portion of an insurance claim payment that an insurer does not pay until the policyholder completes necessary repairs or replacement of damaged covered property. Once the repairs or replacements are completed, the policyholder is eligible to receive the withheld amount subject to the terms of the insurance policy.

2. An insurer that issues a residential property insurance policy with replacement cost coverage for roof damage may refuse to pay a claim for withheld recoverable depreciation or a replacement cost holdback under the policy for a roof claim until the insurer receives reasonable proof of payment by the policyholder of any deductible applicable to the roof claim.

3. Reasonable proof of payment includes a canceled check, money order receipt, credit card statement, or copy of an executed installment plan contract or other financing arrangement that requires full payment of the deductible over time.

379.3000. Sections 379.3000 to 379.3055 may be cited as the "Missouri Disaster Mediation Act".

379.3005. 1. The provisions of sections 379.3000 to 379.3055 provide for a nonadversarial alternative dispute resolution program for a facilitated claim resolution process prompted by the critical need for effective, fair, and timely handling of insurance claims arising out of damage to residential property caused by an event for which there is a state of disaster declared within sixty days of the event.

2. Sections 379.3000 to 379.3055 shall only apply when the director issues an order initiating the alternative

dispute resolution program authorized under the Missouri disaster mediation act and:

(1) If a state of emergency has been proclaimed for this state or for an area within this state by the governor, or by a resolution of the general assembly under section 44.100; or

(2) If the President of the United States has issued a major disaster declaration for this state or for an area within this state under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. Section 5121, et seq., as amended.

3. The mediation program under sections 379.3000 to 379.3055 shall be available to Missouri residents with first-party insurance claims resulting from damage to residential property that serves as a Missouri resident's primary dwelling located within this state. Sections 379.3000 to 379.3055 shall not apply to commercial insurance, property insurance covering multiple family dwellings, motor vehicle insurance, or liability coverage contained within property insurance policies.

4. After the program has been initiated by order of the director, it shall remain available to first-party claimants until the director makes a determination that the need has decreased due to sufficient progress of recovery efforts and issues an order terminating same.

379.3010. For purposes of sections 379.3000 to 379.3055, except where otherwise provided, the following terms mean:

(1) "Administrator", the director or the director's designee;

(2) "Director", the director of the department of commerce and insurance;

(3) "Disputed claim", any matter on which there is a dispute as to the cause of loss or amount of loss under a residential property insurance policy, for which the insurer has denied payment, in part or whole, with respect to claims arising from a disaster. Unless the parties agree to mediate a disputed claim involving a lesser amount, a "disputed claim" involves the insured requesting five thousand dollars or more to settle the dispute, or the difference between the positions of the parties is five thousand dollars or more. "Disputed claim" does not include a dispute with respect to which the insurer has reported allegations of fraud, based on a referral by the insurer's special investigative unit, to the director. A disputed claim does not include the following:

(a) A dispute with respect to which the insurer has reported allegations of fraud, based on a referral by the insurer's special investigative unit, to the director; or

(b) A dispute in which there has been a denial, in whole or in part, of coverage for the loss because of exclusions in the residential property insurance policy, terms in the policy, conditions in the policy, or if coverage was not in force at the time of the loss;

(4) "Insured", the named insured under a residential property insurance policy;

(5) "Insurer", all insurance companies, reciprocals, interinsurance exchanges licensed under this chapter, and including Lloyds insurers, surplus lines insurers, and the property insurance inspection and placement program (the "FAIR" Plan), issuing and renewing residential property insurance policies;

(6) "Mediation", the alternative dispute resolution program established under sections 379.3000 to 379.3055; an informal process conducted or overseen by a mediator with

the objective of helping parties voluntarily settle a  
disputed claim;

(7) "Mediator", a neutral person who acts to encourage  
and facilitate the resolution of a disputed claim. A  
mediator shall not make an award or render a judgment as to  
the merits of the claim. A mediator shall not impose the  
mediator's judgment on the issues for that of the parties;

(8) "Party or parties", the insured and the insurer;

(9) "Residential property insurance policy or  
policies", a homeowner's insurance, dwelling-owner's  
insurance, residential fire insurance, condo owner's  
insurance, manufactured home or mobile homeowner's  
insurance, tenant's or renter's insurance, or any other  
contract of insurance covering owner-occupied single-family  
habitational property.

379.3015. 1. Insurers shall notify their insureds in  
this state who have claimed damage to their residential  
properties because of a disaster of their right to mediate  
disputed claims. This requirement applies to all disputed  
claims, including instances where partial or full payment  
has been issued by the insurer to the insured.

2. The insurer shall, by mail or electronic mail,  
transmit the notice described in this section to an insured  
within five days after the time the insured or the  
administrator notifies the insurer, by mail or electronic  
mail, of a dispute regarding the insured's claim. The  
following conditions apply:

(1) If the insurer has not been notified of a disputed  
claim before the time an insurer notifies the insured that a  
claim has been denied in whole or in part, the insurer shall  
mail a notice of the right to mediate to the insured in the  
same mailing as the notice of denial;

(2) The insurer is not required to send a notice of the right to mediate if a claim is denied because the amount of the claim is less than the insured's deductible;

(3) The transmission that contains the notice of the right to mediate shall include any consumer brochure on mediation developed by the director; and

(4) Notification shall be provided to the insured in writing or by electronic transmission and shall be legible and conspicuous. If provided in printed form, the notice shall be printed in at least twelve-point type. If provided electronically, the notice shall be displayed in a format that is reasonably calculated to be readable and accessible to the insured. The first paragraph of the notice shall contain the following statement:

"THE GENERAL ASSEMBLY OF MISSOURI HAS ENACTED A LAW TO FACILITATE FAIR AND TIMELY HANDLING OF RESIDENTIAL PROPERTY INSURANCE CLAIMS ARISING OUT OF CATASTROPHIC WEATHER EVENTS. THIS LAW GIVES YOU THE RIGHT TO ATTEND A MEDIATION CONFERENCE WITH YOUR INSURANCE COMPANY TO SETTLE ANY DISPUTE YOU HAVE ABOUT YOUR INSURANCE CLAIM. AN INDEPENDENT MEDIATOR, WHO HAS NO CONNECTION WITH YOUR INSURANCE COMPANY, WILL BE IN CHARGE OF THE MEDIATION CONFERENCE. THERE IS NO COST TO YOU FOR USING THIS MEDIATION PROCESS.

YOU DO NOT NEED TO HIRE A PUBLIC ADJUSTER OR AN ATTORNEY TO USE THE MEDIATION PROCESS. IF YOU HAVE A PUBLIC ADJUSTER OR AN ATTORNEY, YOU WILL HAVE TO PAY THOSE COSTS."

3. The notice shall also include the following:

(1) Detailed instructions on how the insured is to request mediation, including the name, address, telephone number, and website address for requesting a mediation with the administrator;

(2) The insurer's address and telephone number for requesting additional information; and

(3) Contact information for the consumer affairs division of the department of commerce and insurance.

379.3020. 1. If an insured requests mediation before receipt of the notice of the right to mediate or if the date of the notice cannot be established, the insurer shall be notified by the administrator of the existence of the dispute before the administrator processes the insured's request for mediation. An insured must request mediation within sixty days after the denial of the claim.

2. The failure to request mediation within this time period shall only bar the right to demand mediation. It shall not prejudice any other legal right or remedy of the insured nor shall it prohibit the insurer from voluntarily accepting the request for mediation.

3. If an insurer receives a request for mediation, the insurer shall electronically transmit the request to the administrator within three business days after receipt of the request. If the director receives any request, it shall electronically transmit those requests to the administrator within three business days after receipt. The administrator shall notify the insurer within three business days after receipt of a request that has been filed with the director.

4. In the insured's request for mediation, the insured shall provide the following information, if known:

(1) Name, address, and daytime telephone number of the insured and location of the property if different from the address given;

(2) The claim and policy number for the insured;

(3) A brief description of the nature of the dispute;

and

(4) The name of the insurer and the name, address, and phone number of the contact person for scheduling mediation.

379.3025. 1. The director may contract with qualified administrators to oversee the mediation program by means of a formal bid process. A qualified administrator may also be selected by the director without a formal bid process if a state of emergency has been declared pursuant to section 44.100. All bid processes must comply with either sections 34.040 or 34.045.

2. The expenses and fees of the mediator and of the administrator as established by the director are borne by the insurer. All other mediation costs, fees, or expenses shall be borne by the party incurring such costs, fees, or expenses unless otherwise provided in a settlement agreement.

3. The director shall establish fee schedules for monies to be paid directly to the administrator by the insurer for the services of the administrator, the mediator, and for timely and untimely mediation cancellations, with the cancellation fees to be borne by the canceling party. Fee schedules shall be established through promulgation of emergency rules to be in effect no later than January 1, 2027. Such rules establishing fee schedules may be amended as necessary, including as specified by section 536.025 if a state of emergency has been declared pursuant to section 44.100.

4. The director, the administrator, and mediators appointed by the director shall have such official immunity pursuant to section 537.600 and as exists at common law.

379.3030. 1. The administrator shall select a mediator and schedule the mediation conference.

2. To be approved, the mediator who provides alternative dispute resolution services independently or through an organization shall have appropriate training or

equivalent experience in conducting the type of alternative dispute resolution service the individual or organization provides, under Missouri supreme court rule 17.

379.3035. 1. The rules adopted by the director shall include a requirement of the mediator to advise the parties of the mediation process and their rights and duties in the mediation process.

2. A mediator shall terminate the mediation conference if the mediator determines that either party is unable or unwilling to participate meaningfully in the process or upon mutual agreement of the parties.

3. An insurer's representative attending a mediation conference shall:

(1) Bring, in paper or electronic medium, a copy of the policy and the entire claims file to the conference; and

(2) Know the facts and circumstances of the claim and be knowledgeable of the provisions of the policy.

4. An insurer shall be deemed to have failed to appear if the insurer's representative lacks authority to settle the claim within the limits of the policy.

5. The mediator shall be in charge of the mediation conference and shall establish and describe the procedures to be followed.

6. A party may move to disqualify a mediator for good cause prior to the conference. If the grounds for disqualification are known before the mediation conference, the request to disqualify a mediator shall be directed to the administrator. For purposes of this section, good cause consists of a conflict of interest between a party and the mediator, the inability of the mediator to handle the mediation conference competently, or other reasons that would reasonably be expected to impair the mediation conference.

379.3040. 1. Within five business days after the conclusion of the mediation conference, the mediator shall file with the administrator a mediator's status report, on a form prescribed by the administrator, indicating whether or not the parties reached a settlement.

2. Mediation is nonbinding unless all the parties specifically agree otherwise in writing.

3. If the parties reach a settlement, the mediator shall include a copy of the settlement agreement with the status report.

4. Within five business days after the conclusion of the mediation, if agreed to by the parties, the insurer shall disburse the settlement funds in accordance with the terms of the settlement agreement. The insured has three business days after receipt of the settlement funds within which to notify the director and the insurer of the insured's decision to rescind the settlement agreement. The rescission shall only be valid if the insured has not received the settlement funds by electronic means or has not cashed or deposited any check or draft disbursed to the insured in payment of the settlement funds.

5. If a settlement agreement is reached, and is not rescinded, it shall act as a release of all specific claims that were presented in the mediation conference. Any subsequent claim under the policy shall be presented as a separate claim.

379.3042. If the insured decides not to participate in the mediation program or if the parties are unsuccessful at resolving the claim, the insured may choose to proceed under the appraisal process set forth in the insurance policy, by litigation, or by any other dispute resolution procedure available under Missouri law.

379.3045. If the insured rescinds a settlement agreement in accordance with sections 379.3000 to 379.3055, the director may review the settlement agreement to determine if the agreement was fair to the parties to the agreement. If the director, after completing a review and within ten business days after receiving notice of the rescission, deems that the settlement agreement was fair to the parties, the insured, upon notice from the director, may withdraw the rescission within five business days after receipt of the order from the director, and the settlement agreement is reinstated as if no rescission had taken place. The director's review and findings shall not be offered or accepted as evidence in any subsequent proceedings brought under sections 379.3000 to 379.3055.

379.3050. 1. All statements made and documents produced at a mediation conference shall be deemed confidential settlement communications.

2. All documents and records produced or exchanged prior to or during the mediation conference shall be considered closed records under chapter 610. These documents and records shall not be subject to subpoena.

3. No person who serves as administrator or mediator, nor any agent or employee of that person, shall be subpoenaed or otherwise compelled to disclose any matter disclosed in the process of setting up or conducting the mediation.

4. Any communication relating to the dispute made during the resolution process by any party, the administrator, mediator, or any other person present at the mediation shall be a confidential communication. No admission, representation, statement or other confidential communication made in setting up or conducting the mediation

conference not otherwise discoverable or obtainable shall be admissible as evidence nor shall it be subject to discovery.

5. If the director or an employee or designee of the director attends a mediation proceeding, the director, employee, or designee shall not be compelled to testify about what transpired at the mediation or about any other matter in connection with the mediation.

6. Nothing in this section shall be construed to require either party to divulge legally privileged information or documents.

379.3055. 1. The director shall promulgate all necessary rules and regulations for the administration of sections 379.3000 to 379.3055. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.

2. The director shall establish emergency rules and proposed rules including, but not limited to, the following:

(1) Fee schedules for the payment of moneys;

(2) The conduct of mediation conferences where the rule is not in conflict with Missouri supreme court rule 17;

(3) A mediator advising the parties of the mediation process and the parties' rights and duties in the process;  
and

(4) Any other rule that the director believes is required for the implementation of the mediation program.

3. The rules implemented under this section may be amended as necessary, including emergency rules promulgated under section 536.025, if a state of emergency has been declared under section 44.100.

4. Sections 379.3000 to 379.3055 shall become effective on January 1, 2027, and expire June 30, 2038.

379.3100. Sections 379.3100 to 379.3140 shall be known and may be cited as the "Missouri Stronger Homes Act".

379.3105. For purposes of sections 379.3100 to 379.3040, except where otherwise provided, the following terms mean:

(1) "Department", the department of commerce and insurance;

(2) "Director", the director of the department;

(3) "Homeowner's policy", a homeowner's insurance policy, a dwelling owner's insurance policy, or a residential fire insurance policy covering real property within this state. "Homeowner's policy" shall not include a mobile homeowner's policy, a tenant's or renter's policy, or a condo owner's policy;

(4) "Insurable property", a residential, single-family, owner-occupied real property within this state. "Insurable property" shall exclude mobile homes;

(5) "Insurance Institute for Business and Home Safety" or "IBHS", a nonprofit organization that conducts objective, scientific research to identify and promote the most effective ways to strengthen homes, businesses, and communities against natural disasters;

(6) "Insured", the named insured under a residential property insurance policy;

(7) "Insurer", all insurance companies, reciprocals, and interinsurance exchanges licensed under this chapter, and the property insurance inspection and placement program (the "FAIR" Plan), issuing and renewing residential property insurance policies;

(8) "Program", the Missouri stronger homes program created under section 379.3110;

(9) "Residential property owner", any individual person who holds legal title to real property that has been improved by a dwelling structure intended for residential, single-family occupancy.

379.3110. 1. There is hereby created within the department the "Missouri Stronger Homes Program".

2. Sections 379.3100 to 379.3140 do not create an entitlement for property owners or obligate this state to fund the inspection, construction, or retrofitting of residential property in this state.

3. Grant moneys shall be provided under sections 379.3100 to 379.3140 to assist Missouri residents in retrofitting and constructing insurable properties to resist loss due to tornado, other catastrophic windstorm events, or hail.

4. Implementation of the program is subject to the receipt of federal grants or funds from other sources of grants or funds, including those funds specified in section 379.3115. The department shall use its best efforts to obtain grants or funds from the federal government or other funding sources to supplement the financial resources of the program.

5. The program shall apply for financial grants to construct or retrofit insurable property to resist damage due to a tornado, other catastrophic windstorm events, or hail as prescribed in section 379.3135.

6. The program may also make grants or funding available to nonprofit entities for projects to construct or retrofit insurable properties to resist loss due to tornado, other catastrophic windstorm events, or hail if such grants or funding to nonprofit entities are allowable under Missouri law. A nonprofit entity shall agree to administer the grants or funds in the same manner as the program is required to administer grants or funds, and the nonprofit entity shall provide documentation to the director in a timely manner upon request.

7. All mitigation efforts shall be based upon the securing of all required local permits and applicable inspections in keeping with local building codes and the IBHS Fortified Homes Program. Mitigation projects are subject to random reinspection of all projects.

8. The director shall establish a maximum grant award amount by rule and adjust such amount as necessary to reflect changes in construction costs. The maximum amount of any grant awarded to an individual residential property owner shall not exceed fifteen thousand dollars.

379.3115. 1. There is hereby created in the state treasury the "Missouri Stronger Homes Fund", which shall consist of moneys appropriated or collected under this section.

2. The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of any moneys deposited to the fund from the receipt of federal grants or funds, or from other sources of grants or funds. All moneys accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the department of commerce and insurance for the purpose of assisting the Missouri stronger homes program in performing all duties that relate to the program under sections 379.3100 to

379.3140. Expenditures from the fund shall be drawn by the state treasurer, based on claims submitted by the department, and filed with the office of administration.

3. Moneys collected under this section shall be deposited in the fund. Moneys in this fund shall not lapse, unless otherwise specified under federal funding or federal grant, or a grant or funds from another source, or be transferred to the insurance examination fund or general revenue and shall not be redistributed.

4. Notwithstanding any other provision of the law to the contrary, twelve million dollars shall be transferred from the insurance dedicated fund established under section 374.150 and placed to the credit of the Missouri stronger homes fund on July 1, 2027. Beginning July 1, 2028, and annually thereafter until July 1, 2037, up to twenty percent of the remaining balance in the insurance dedicated fund as of June thirtieth of the preceding fiscal year, in an amount not to exceed two million dollars in any one year, shall be transferred to and placed to the credit of the Missouri stronger homes fund.

5. The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with sections 30.170 and 30.180. Upon appropriation, moneys in the fund shall be used solely for the purposes of this section. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

6. The provisions of this section shall expire on June 30, 2038.

7. Any moneys remaining in the Missouri stronger homes fund at the expiration of the program on July 1, 2038, shall

revert and be transferred back to the insurance dedicated fund established under section 374.150.

379.3120. 1. To be eligible for a grant under the Missouri stronger homes program, residential property owners applying for a grant shall meet the eligibility requirements set forth by the director by rule for each grant type. The requirements shall include, but are not limited to, the following:

(1) The insurable property shall be located within this state and shall be the primary residence of the applicant, or, if new construction, the construction shall be located within this state and the applicant shall provide other documentation to demonstrate qualification for the grant, as specified by rules promulgated by the director;

(2) The insurable property to be mitigated shall be an owner-occupied, single-family, primary residence and cannot be a condominium, multifamily dwelling, or a mobile home;

(3) The insurable property shall be in a livable condition, safe for habitation or use, and otherwise eligible for a certificate of residential occupancy, unless damaged by a tornado, other catastrophic windstorm event, or hail;

(4) The grant funds cannot be used for general maintenance or repairs, but may be used in conjunction with repairs or reconstruction necessitated by damages from a tornado or other catastrophic windstorm event or hail;

(5) A certified IBHS evaluator shall prequalify the insurable property as mitigable and identify all improvements required to achieve IBHS FORTIFIED Roof, FORTIFIED Silver, FORTIFIED Gold, or successor designation, or similar standard approved by the director. The residential property owner shall select the evaluator from a

list provided by the program and shall pay the evaluator's fee;

(6) The residential property owner shall obtain bids from at least three IBHS-certified contractors approved by the program;

(7) The residential property owner shall construct or retrofit the home to the IBHS FORTIFIED Roof, FORTIFIED Silver, FORTIFIED Gold, or successor designation, or similar standard approved by the director, which shall include the hail supplement;

(8) The residential property owner shall provide proof of an active, in-force homeowner's policy insuring against wind and hail damage to the home, unless good cause is demonstrated by the applicant; and

(9) If the insurable property is in a special flood hazard area, the residential property owner shall provide proof of an in-force flood insurance policy. The flood policy may be from the National Flood Insurance Program (NFIP) or a private insurer.

2. Grant applications shall be filed electronically with the department in the form and manner prescribed by the director, along with any applicable transaction fees.

3. Grant applications and documents, materials, and other information submitted to the department by residential property owners or insurers in support of a grant application shall be closed records under chapter 610. These records shall not be subject to open records requests, subpoenas, and shall not be subject to discovery or be admissible as evidence in any private civil action. The director is authorized to use the documents, materials, or other information in furtherance of any regulatory or legal action brought as a part of the director's duties.

4. Grants to residential property owners shall be used to construct or retrofit an insurable property to resist loss due to a tornado or other catastrophic windstorm event or hail as prescribed in the FORTIFIED Home High Wind and Hail Standards, as may from time to time be adopted by the IBHS.

5. Retrofit projects should be completed within six months of the date the residential property owner receives notice of the grant approval. New construction shall be completed within the time frame approved by the director. Failure to complete the project within the prescribed time frames may result in forfeiture of the grant.

6. Grant funds shall only be paid after a certificate has been issued for the fortified standard approved by the director. Grant funds shall be paid by the department or another designated agency, on behalf of the residential property owner, directly to the contractor who performed the mitigation work.

7. Applications shall be accepted on a first-come, first-served basis within each income tier established by the director, with priority given to lower-income applicants, applicants who live in locations that, based on historical data, have a higher susceptibility to catastrophic weather events, and applicants meeting any other criteria the director determines is appropriate to meet the purpose of the program.

8. Any entity providing funds to the program shall be permitted to establish additional rules and guidelines under which those funds may be used, as long as such rules and guidelines do not violate any state or federal law.

9. The department may conduct random inspections of funds, records, and properties to detect any fraud.

379.3125. 1. Under the program, a residential property owner shall hire an IBHS-certified contractor who is capable of performing work that satisfies the standards prescribed by this act and the rules adopted thereto.

2. The department shall not endorse or otherwise provide preferential treatment to any contractor.

3. A residential property owner is responsible for any amount owed to a contractor that exceeds awarded grant moneys.

4. To be eligible to work on a project funded by the program as a contractor, a contractor shall meet all program requirements including, but not limited to, maintaining a current copy of all applicable certificates, licenses, and proof of insurance coverages with the department. In addition, a contractor shall:

(1) If required under Missouri law, hold a valid and active contractor's license or registration in Missouri and be free from all disciplinary action by any applicable licensing board or boards;

(2) Be registered to do business in Missouri with the secretary of state;

(3) Have a valid state tax identification number in this state;

(4) Have an in-force general liability policy with at least five hundred thousand dollars in liability coverage;

(5) Have workers' compensation and employer's liability insurance in accordance with chapter 287;

(6) Hold an active IBHS FORTIFIED Roof Contractor Certification or FORTIFIED Professional Certification, and be responsible for paying all fees associated with certification and training;

(7) Successfully register as a vendor or supplier with the office of administration;

(8) Maintain accurate contact information with the Missouri stronger homes program;

(9) Agree to follow all procedures and rules as prescribed by the director;

(10) Not have a financial interest in any project funded by the Missouri stronger homes program for which the contractor performs work other than receiving payment on behalf of the residential property owner from the program and shall report to the program any potential conflicts of interest before work commences; and

(11) Not be an evaluator for any project funded by the program.

379.3130. To be eligible to work on a project funded by the program as an evaluator, the evaluator shall meet all program requirements including, but not limited to, the following:

(1) Maintaining a current copy of all applicable certificates and licenses with the program office;

(2) Being in good standing with IBHS and maintaining an active IBHS certification as a FORTIFIED Home Evaluator. The evaluator shall be responsible for paying all fees associated with certification and training;

(3) Agreeing to follow the program's procedures and rules as prescribed by the director;

(4) Maintaining accurate contact information with the program;

(5) Not having any financial interest in any project that the evaluator inspects for designation purposes related to the program;

(6) Not being a contractor or supplier of any materials or products or systems installed in any home the evaluator inspects for designation purposes for the program;

(7) Not being a sales agent or realtor for any home being designated for the program; and

(8) Informing the program of any potential conflicts of interest.

379.3135. 1. For homeowner's insurance policies issued, continued, or renewed on or after January 1, 2027, insurers shall provide a premium discount or insurance rate reduction in an amount and manner as specified in this section.

2. A premium discount or rate reduction shall be available under the terms specified in this section to any insured who retrofits the insurable property located in this state to resist loss due to tornado, other catastrophic windstorm events, or hail.

3. Insurers shall be required to offer a premium discount or rate reduction only when the insurer has deemed the adjustments to be actuarially justified and there is sufficient and credible evidence of cost savings, which can be attributed to the construction standards set forth in this section.

4. Insurers may also offer additional adjustments in deductible, other risk differentials, or a combination thereof, collectively referred to as other adjustments.

5. To obtain the premium discount, rate reduction, or other adjustment provided in this section, an insurable property shall be retrofitted to the FORTIFIED Home High Wind and Hail Standards, as may from time to time be adopted by the IBHS. An insurable property shall be certified as conforming to FORTIFIED Home High Wind and Hail Standards only after evaluation and certification by an evaluator certified pursuant to the FORTIFIED Home High Wind and Hail Standards.

6. An insured claiming a premium discount, rate reduction, or other adjustment under this section shall maintain sufficient certification records and construction records for the insurable property, including, but not limited to, a certification of compliance with the FORTIFIED Home High Wind and Hail Standards as provided in this section, receipts from contractors, and receipts for materials. Copies of the certification and construction records shall be presented to the insurer or potential insurer of an insurable property before the premium discount, rate reduction, or other adjustment becomes effective for the insurable property.

7. Insurers that write homeowner's insurance policies that are subject to the premium discount or rate reduction in this section shall submit rating plans under section 379.321, accompanied by actuarial justification substantiating the premium discounts or rate reductions described in this section. A premium discount, rate reduction, or other adjustment shall apply only to policies that provide wind or hail coverage. A premium discount, rate reduction, or other adjustment shall apply only to the premium representative of wind or hail damage to insurable property.

8. If an insurer already offers an actuarially justified hail resistance discount, that hail-related discount shall be deemed as having met the requirements of sections 379.3100 to 379.3140 as it pertains to hail-related discounts or rate reductions and no additional hail-related discount or rate reduction shall be required.

9. If an insurer already offers an actuarially justified discount for meeting IBHS FORTIFIED Home Standards, that discount shall be deemed as having met the requirements of this act as it pertains to wind-related

discounts or rate reductions and no additional wind-related discount or rate reduction shall be required.

10. Insurers shall apply the premium discount, rate reduction, or other adjustment to the premium at the policy renewal that follows the submission of the certification to the insurer. At the time of a policy renewal for which a premium discount, rate reduction, or other adjustment has previously been made, the insurer may request documentation or recertification that the FORTIFIED Home Standards as described in this section continue to be met.

11. In addition to the requirements of this section, an insurer may voluntarily offer any other mitigation adjustment that the insurer deems appropriate.

379.3140. 1. The director may promulgate all necessary rules and regulations for the administration of sections 379.3100 to 379.3140, including any instructions or requirements on grants and funds received by the department. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.

2. Sections 379.3100 to 379.3140 shall expire on June 30, 2038.

380.661. Any company operating under the provisions of sections 380.011 to 380.151 and 380.201 to 380.611 shall comply with the provisions of 379.3000 to 379.3055.

380.671. 1. Any company operating under the provisions of sections 380.011 to 380.151 and 380.201 to 380.611 may develop programs eligible for financial grants under the provisions of 379.3100 to 379.3140.

2. Any company operating under the provisions of sections 380.011 to 380.151 and 380.201 to 380.611 shall not be required to submit rating plans under section 379.321, or otherwise submit actuarial justifications substantiating any discount or rate associated with the program described in sections 379.3100 to 379.3140.