

SECOND REGULAR SESSION

# SENATE BILL NO. 1543

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR CRAWFORD.

6512S.011

KRISTINA MARTIN, Secretary

## AN ACT

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

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

Section A. Sections 33.080 and 375.991, RSMo, are repealed  
2 and twenty-six new sections enacted in lieu thereof, to be known  
3 as sections 33.080, 375.991, 379.162, 379.163, 379.3000,  
4 379.3005, 379.3010, 379.3015, 379.3020, 379.3025, 379.3030,  
5 379.3035, 379.3040, 379.3042, 379.3045, 379.3050, 379.3055,  
6 379.3100, 379.3105, 379.3110, 379.3115, 379.3120, 379.3125,  
7 379.3130, 379.3135, and 379.3140, to read as follows:

33.080. 1. All fees, funds and moneys from whatsoever  
2 source received by any department, board, bureau,  
3 commission, institution, official or agency of the state  
4 government by virtue of any law or rule or regulation made  
5 in accordance with any law, excluding all funds received and  
6 disbursed by the state on behalf of counties and cities,  
7 towns and villages shall, by the official authorized to  
8 receive same, and at stated intervals of not more than  
9 thirty days, be placed in the state treasury to the credit  
10 of the particular purpose or fund for which collected, and  
11 shall be subject to appropriation by the general assembly  
12 for the particular purpose or fund for which collected  
13 during the biennium in which collected and appropriated.

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

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

39 2. Notwithstanding any provision of law to the  
40 contrary concerning the transfer of funds, **[ten] twelve**  
41 million dollars shall be transferred from the insurance  
42 dedicated fund established under section 374.150, and placed  
43 to the credit of the **[rebuild damaged infrastructure]**  
44 **Missouri's stronger homes** fund created in section **[33.295]**  
45 **379.3115** on **[July 1, 2013] July 1, 2027 and amounts as**

46 **specified under section 379.1115 on an annual basis**  
47 **commencing July 1, 2028 and ending on July 30, 2037.**

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

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

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

28 (1) "Unbundling", an insurance claim by claiming a  
29 number of medical procedures were performed instead of a  
30 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**

62 **issue a curative or summary order as set forth under section**  
63 **374.046.** The director may refer such evidence as is  
64 available concerning violations of this chapter to the  
65 proper prosecuting attorney or circuit attorney who may,  
66 with or without such reference, initiate the appropriate  
67 criminal proceedings.

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

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

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

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

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

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

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

12           (2) "Insurer", all insurance companies, reciprocals,  
13 interinsurance exchanges licensed under chapters 379 and  
14 380, and the property insurance inspection and placement  
15 program (the "FAIR" Plan), issuing and renewing residential  
16 property insurance policies;

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

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

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

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

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

28           b. A valid Missouri sales tax number; and

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

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

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

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

45           5. The insurer shall not refuse to issue, cancel, or  
46 refuse to renew a homeowner's policy solely because of the  
47 roof's age if an inspection of the roof of the residential  
48 structure performed by a qualified inspector indicates that  
49 the roof has five years or more of useful life remaining.

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

57           7. This section shall not:

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

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

67           8. (1) A policyholder may not assign, in whole or in  
68 part, any post-loss insurance benefit under any residential  
69 property insurance policy or under any commercial property  
70 insurance policy issued or renewed on or after January 1,  
71 2027.

72           (2) Any attempt to assign post-loss property insurance  
73 benefits under a policy issued or renewed on or after  
74 January 1, 2027, is void, invalid, and unenforceable.

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

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

10          (2) "Residential property insurance policy", a  
11 homeowner's insurance, dwelling-owner's insurance,  
12 residential fire insurance, condo owner's insurance, or  
13 manufactured home or mobile homeowner's insurance written  
14 upon property within this state;

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

22          2. An insurer that issues a residential property  
23 insurance policy with replacement cost coverage for roof  
24 damage may refuse to pay a claim for withheld recoverable



25 depreciation or a replacement cost holdback under the policy  
26 for a roof claim until the insurer receives reasonable proof  
27 of payment by the policyholder of any deductible applicable  
28 to the roof claim.

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

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

379.3005. 1. The provisions of sections 379.3000 to  
2 379.3055 provide for a nonadversarial alternative dispute  
3 resolution program for a facilitated claim resolution  
4 process prompted by the critical need for effective, fair,  
5 and timely handling of insurance claims arising out of  
6 damage to residential property caused by an event for which  
7 there is a state of disaster declared within sixty days of  
8 the event.

9 2. Sections 379.3000 to 379.3055 shall only apply when  
10 the director issues an order initiating the alternative  
11 dispute resolution program authorized under the Missouri  
12 disaster mediation act and:

13 (1) If a state of emergency has been proclaimed for  
14 this state or for an area within this state by the governor,  
15 or by a resolution of the general assembly under section  
16 44.100; or

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

22           3. The mediation program under sections 379.3000 to  
23 379.3055 shall be available to Missouri residents with first-  
24 party insurance claims resulting from damage to residential  
25 property that serves as a Missouri resident's primary  
26 dwelling located within this state. Sections 379.3000 to  
27 379.3055 shall not apply to commercial insurance, property  
28 insurance covering multiple family dwellings, motor vehicle  
29 insurance, or liability coverage contained within property  
30 insurance policies.

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

          379.3010. For purposes of sections 379.3000 to  
2 379.3055, except where otherwise provided, the following  
3 terms mean:

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

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

8           (3) "Disputed claim", any matter on which there is a  
9 dispute as to the cause of loss or amount of loss under a  
10 residential property insurance policy, for which the insurer  
11 has denied payment, in part or whole, with respect to claims  
12 arising from a disaster. Unless the parties agree to  
13 mediate a disputed claim involving a lesser amount, a  
14 "disputed claim" involves the insured requesting one  
15 thousand five hundred dollars or more to settle the dispute,  
16 or the difference between the positions of the parties is  
17 one thousand five hundred dollars or more. "Disputed claim"  
18 does not include a dispute with respect to which the insurer

19 has reported allegations of fraud, based on a referral by  
20 the insurer's special investigative unit, to the director.  
21 A disputed claim does not include the following:

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

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

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

32 (5) "Insurer", all insurance companies, reciprocals,  
33 interinsurance exchanges licensed under chapters 379 and  
34 380, and including Lloyds insurers, surplus lines insurers,  
35 and the property insurance inspection and placement program  
36 (the "FAIR" Plan), issuing and renewing residential property  
37 insurance policies;

38 (6) "Mediation", the alternative dispute resolution  
39 program established under sections 379.3000 to 379.3055; an  
40 informal process conducted or overseen by a mediator with  
41 the objective of helping parties voluntarily settle a  
42 disputed claim;

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

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

49 (9) "Residential property insurance policy or  
50 policies", a homeowner's insurance, dwelling-owner's

51 insurance, residential fire insurance, condo owner's  
52 insurance, manufactured home or mobile homeowner's  
53 insurance, tenant's or renter's insurance, or any other  
54 contract of insurance covering owner-occupied single-family  
55 habitational property.

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

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

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

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

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

23 (4) Notification shall be in writing and shall be  
24 legible, conspicuous, and printed in at least twelve-point  
25 type. The first paragraph of the notice shall contain the  
26 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) The state from which the administrator shall select the mediator.

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.

8           2. The failure to request mediation within this time  
9 period shall only bar the right to demand mediation and to  
10 seek extracontractual damages under sections 537.058 and  
11 537.065. It shall not prejudice any other legal right or  
12 remedy of the insured nor shall it prohibit the insurer from  
13 voluntarily accepting the request for mediation.

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

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

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

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

28           (3) A brief description of the nature of the dispute;  
29 and

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

379.3025. 1. The director may contract with qualified  
2 administrators to oversee the mediation program by means of  
3 a formal bid process. A qualified administrator may also be  
4 selected by the director without a formal bid process if a  
5 state of emergency has been declared pursuant to section  
6 44.100. All bid processes must comply with either sections  
7 34.040 or 34.045.

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

13           3. The director shall establish fee schedules for  
14 monies to be paid directly to the administrator by the  
15 insurer for the services of the administrator, the mediator,  
16 and for timely and untimely mediation cancellations. Fee  
17 schedules shall be established through promulgation of  
18 emergency rules to be in effect no later than January 1,  
19 2027. Such rules establishing fee schedules may be amended  
20 as necessary, including as specified by section 536.025 if a  
21 state of emergency has been declared pursuant to section  
22 44.100.

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

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

3           2. To be approved, the mediator who provides  
4 alternative dispute resolution services independently or  
5 through an organization shall have appropriate training or  
6 equivalent experience in conducting the type of alternative  
7 dispute resolution service the individual or organization  
8 provides, under Missouri supreme court rule 17.

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

5           2. A mediator shall terminate the mediation conference  
6 if the mediator determines that either party is unable or

7 unwilling to participate meaningfully in the process or upon  
8 mutual agreement of the parties.

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

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

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

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

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

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

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

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



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

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

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

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

379.3045. If the insured rescinds a settlement  
2 agreement in accordance with sections 379.3000 to 379.3055,  
3 the director may review the settlement agreement to  
4 determine if the agreement was fair to the parties to the  
5 agreement. If the director, after completing a review and  
6 within ten business days after receiving notice of the  
7 rescission, deems that the settlement agreement was fair to

8 the parties, the insured, upon notice from the director, may  
9 withdraw the rescission within five business days after  
10 receipt of the order from the director, and the settlement  
11 agreement is reinstated as if no rescission had taken  
12 place. The director's review and findings shall not be  
13 offered or accepted as evidence in any subsequent  
14 proceedings brought under sections 379.3000 to 379.3055.

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

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

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

13 4. Any communication relating to the dispute made  
14 during the resolution process by any party, the  
15 administrator, mediator, or any other person present at the  
16 mediation shall be a confidential communication. No  
17 admission, representation, statement or other confidential  
18 communication made in setting up or conducting the mediation  
19 conference not otherwise discoverable or obtainable shall be  
20 admissible as evidence nor shall it be subject to discovery.

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

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

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

- 17 (1) Fee schedules for the payment of moneys;
- 18 (2) The conduct of mediation conferences where the  
19 rule is not in conflict with Missouri supreme court rule 17;
- 20 (3) A mediator advising the parties of the mediation  
21 process and the parties' rights and duties in the process;  
22 and
- 23 (4) Any other rule that the director believes is  
24 required for the implementation of the mediation program.

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

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

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

379.3105. For purposes of sections 379.3100 to  
2 379.3040, except where otherwise provided, the following  
3 terms mean:

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

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

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

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

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

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

23 (7) "Insurer", all insurance companies, reciprocals,  
24 and interinsurance exchanges licensed under chapters 379 and  
25 380, and the property insurance inspection and placement  
26 program (the "FAIR" Plan), issuing and renewing residential  
27 property insurance policies;

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

30 (9) "Residential property owner", any individual  
31 person who holds legal title to real property that has been

32 improved by a dwelling structure intended for residential,  
33 single-family occupancy.

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

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

7 3. Grant moneys shall be provided under sections  
8 379.3100 to 379.3140 to assist Missouri residents in  
9 retrofitting and constructing insurable properties to resist  
10 loss due to tornado, other catastrophic windstorm events, or  
11 hail.

12 4. Implementation of the program is subject to the  
13 receipt of federal grants or funds from other sources of  
14 grants or funds, including those funds specified in section  
15 379.3115. The department shall use its best efforts to  
16 obtain grants or funds from the federal government or other  
17 funding sources to supplement the financial resources of the  
18 program.

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

23 6. The program may also make grants or funding  
24 available to nonprofit entities for projects to construct or  
25 retrofit insurable properties to resist loss due to tornado,  
26 other catastrophic windstorm events, or hail if such grants  
27 or funding to nonprofit entities are allowable under  
28 Missouri law. A nonprofit entity shall agree to administer  
29 the grants or funds in the same manner as the program is  
30 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

21 transferred to the insurance examination fund or general  
22 revenue and shall not be redistributed.

23 4. Notwithstanding any other provision of the law to  
24 the contrary, twelve million dollars shall be transferred  
25 from the insurance dedicated fund established under section  
26 374.150 and placed to the credit of the Missouri stronger  
27 homes fund on July 1, 2027. Beginning July 1, 2028, and  
28 annually thereafter until July 1, 2037, up to twenty percent  
29 of the remaining balance in the insurance dedicated fund as  
30 of June thirtieth of the preceding fiscal year, in an amount  
31 not to exceed two million dollars in any one year, shall be  
32 transferred to and placed to the credit of the Missouri  
33 stronger homes fund.

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

42 6. The provisions of this section shall expire on June  
43 30, 2038.

44 7. Any moneys remaining in the Missouri stronger homes  
45 fund at the expiration of the program on July 1, 2038, shall  
46 revert and be transferred back to the insurance dedicated  
47 fund established under section 374.150.

379.3120. 1. To be eligible for a grant under the  
2 Missouri stronger homes program, residential property owners  
3 applying for a grant shall meet the eligibility requirements  
4 set forth by the director by rule for each grant type. The

5 requirements shall include, but are not limited to, the  
6 following:

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

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

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

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

25 (5) A certified IBHS evaluator shall prequalify the  
26 insurable property as mitigable and identify all  
27 improvements required to achieve IBHS FORTIFIED Roof,  
28 FORTIFIED Silver, FORTIFIED Gold, or successor designation,  
29 or similar standard approved by the director. The  
30 residential property owner shall select the evaluator from a  
31 list provided by the program and shall pay the evaluator's  
32 fee;

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



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

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

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

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

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

63           4. Grants to residential property owners shall be used  
64 to construct or retrofit an insurable property to resist  
65 loss due to a tornado or other catastrophic windstorm event  
66 or hail as prescribed in the FORTIFIED Home High Wind and

67 Hail Standards, as may from time to time be adopted by the  
68 IBHS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13           (4) Maintaining accurate contact information with the  
14 program;

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

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

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

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

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

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

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

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

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

29           6. An insured claiming a premium discount, rate  
30 reduction, or other adjustment under this section shall

31 maintain sufficient certification records and construction  
32 records for the insurable property, including, but not  
33 limited to, a certification of compliance with the FORTIFIED  
34 Home High Wind and Hail Standards as provided in this  
35 section, receipts from contractors, and receipts for  
36 materials. Copies of the certification and construction  
37 records shall be presented to the insurer or potential  
38 insurer of an insurable property before the premium  
39 discount, rate reduction, or other adjustment becomes  
40 effective for the insurable property.

41       7. Insurers that write homeowner's insurance policies  
42 that are subject to the premium discount or rate reduction  
43 in this section shall submit rating plans under section  
44 379.321, accompanied by actuarial justification  
45 substantiating the premium discounts or rate reductions  
46 described in this section. A premium discount, rate  
47 reduction, or other adjustment shall apply only to policies  
48 that provide wind or hail coverage. A premium discount,  
49 rate reduction, or other adjustment shall apply only to the  
50 premium representative of wind or hail damage to insurable  
51 property.

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

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

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

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

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

379.3140. 1. The director may promulgate all  
2 necessary rules and regulations for the administration of  
3 sections 379.3100 to 379.3140, including any instructions or  
4 requirements on grants and funds received by the  
5 department. Any rule or portion of a rule, as that term is  
6 defined in section 536.010, that is created under the  
7 authority delegated in this section shall become effective  
8 only if it complies with and is subject to all of the  
9 provisions of chapter 536 and, if applicable, section  
10 536.028. This section and chapter 536 are nonseverable and  
11 if any of the powers vested with the general assembly  
12 pursuant to chapter 536 to review, to delay the effective  
13 date, or to disapprove and annul a rule are subsequently  
14 held unconstitutional, then the grant of rulemaking  
15 authority and any rule proposed or adopted after August 28,  
16 2026, shall be invalid and void.

17 2. Sections 379.3100 to 379.3140 shall expire on June  
18 30, 2038.

✓