

SECOND REGULAR SESSION

SENATE BILL NO. 669

89TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KENNEY.

Read 1st time January 7, 1998, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

S2960.011

AN ACT

To repeal sections 287.930, 287.950 and 287.955, RSMo 1994, relating to infectious waste transporters, and to enact in lieu thereof five new sections relating to the same subject.

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

Section A. Sections 287.930, 287.950 and 287.955, RSMo 1994, are repealed and five new sections enacted in lieu thereof, to be known as sections 260.257, 260.259, 287.930, 287.950 and 287.955, to read as follows:

260.257. 1. For the purposes of this section, "sharps" means hypodermic needles, syringes, scalpel blades, broken glass or other sharp items that have come into contact with material considered infectious, pursuant to the provisions of this chapter.

2. Sharps which have been rendered innocuous by steam sterilization and which have been shredded shall not be required to be transported, packaged or stored in rigid, semi-rigid, leakproof or puncture resistant or other containers, nor shall such sharps be required to be sealed prior to disposal. Such sharps may be disposed of in a sanitary landfill.

260.259. Infectious waste, as defined in section 260.200 shall be placed in rigid or semi-rigid, leak-resistant containers during transport. Infectious waste shall not be required to be placed in leakproof containers.

287.930. As used in sections 287.930 to 287.975, the following terms mean:

(1) "Accepted actuarial standards", the standards adopted by the Casualty Actuarial Society in its Statement of Principles Regarding Property and Casualty Insurance Ratemaking, and the Standards of Practice adopted by the Actuarial Standards Board;

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

(2) "Advisory organization", any entity which either has two or more member insurers or is controlled either directly or indirectly by two or more insurers and which assists insurers in ratemaking related activities. Two or more insurers which have a common ownership or operate in this state under common management or control constitute a single insurer for the purpose of this definition. "Advisory organization" does not include a joint underwriting association, any actuarial or legal consultant, any employee of an insurer or insurers under common control or management or their employees or manager;

(3) "Classification system" or "classification", the plan, system or arrangement for recognizing differences in exposure to hazards among industries, occupations or operations of insurance policyholders;

(4) "Competitive market", a market which has not been found to be noncompetitive pursuant to section 287.942;

(5) "Director", the director of the department of insurance;

(6) "Expenses", that portion of any rate attributable to acquisition and field supervision; collection expenses and general expenses; and taxes, licenses and fees;

(7) "Experience rating", a rating procedure using past insurance experience of the individual policyholder to forecast future losses by measuring the policyholder's loss experience against the loss experience of policyholders in the same classification to produce a prospective premium credit, debit or unity modification;

(8) "Loss trending", any procedure for projecting developed losses to the average date of loss for the period during which the policies are to be effective;

(9) "Market", the interaction between buyers and sellers of workers' compensation insurance within this state pursuant to the provisions of sections 287.930 to 287.975;

(10) "Infectious waste transporter", a transporter, licensed by the department of natural resources to transport infectious waste, as defined in subdivision (13) of section 260.200, RSMo, in packages of no more than twenty pounds to an infectious waste processing facility.

[(10)] **(11)** "Noncompetitive market", a market for which there is a ruling in effect pursuant to section 287.942 that a reasonable degree of competition does not exist;

[(11)] **(12)** "Prospective loss costs", that portion of a rate that does not include provisions for expenses, other than loss adjustment expenses, or profit. "Prospective loss costs" are developed losses projected through loss trending to a future point in time, including any assessments that are loss-based, and ascertained by accepted actuarial standards;

[(12)] **(13)** "Pure premium rate", that portion of the rate which represents the loss cost per unit of exposure including loss adjustments expense;

[(13)] **(14)** "Rate", the cost of insurance per exposure base unit, prior to any application of individual risk variations based on loss or expense considerations, and does not include

minimum premiums;

[(14)] (15) "Residual market", the plan, either voluntary or mandated by law, involving participation by insurers in the equitable apportionment among them of insurance which may be afforded applicants who are unable to obtain insurance through ordinary methods;

[(15)] (16) "Statistical plan", the plan, system or arrangement used in collecting data;

[(16)] (17) "Supplementary rate information", any manual or plan of rates, classifications system, rating schedule, minimum premium, policy fee, rating rule, rating plan, and any other similar information needed to determine the applicable premium for an insured;

[(17)] (18) "Supporting information", the experience and judgment of the filer and the experience or data of other insurers or organizations relied on by the filer, the interpretation of any statistical data relied on by the filer, descriptions of methods used in making the rates and any other similar information required to be filed by the director.

287.950. 1. Rates in a competitive market shall not be excessive, inadequate or unfairly discriminatory. Rates are excessive if it is likely to produce a long-run profit that is unreasonably high for the insurance provided or if expenses are unreasonably high in relation to services rendered. Rates are not inadequate unless clearly insufficient to sustain projected losses and expenses and the use of such rates, if continued, will tend to create a monopoly in the market. A rate is inadequate if funds equal to the full ultimate cost of anticipated losses and loss adjustment expenses are not produced when the prospective loss costs are applied to anticipated payrolls.

2. Unfair discrimination exists if, after allowing for practical limitations, price differentials fail to reflect equitably the differences in expected losses and expenses. A rate is not unfairly discriminatory because different premiums result for policyholders with like loss exposures but different expenses, or like expenses but different loss exposures, so long as the rate reflects the differences with reasonable accuracy.

3. For the purposes of chapter 287, infectious waste transporters shall be classified separately from transporters of other materials, and rates for insuring infectious waste transporters pursuant to this chapter shall be reasonable.

287.955. 1. Every workers' compensation insurer shall adhere to a uniform classification system and uniform experience rating plan filed with the director by the advisory organization designated by the director and subject to his disapproval. An insurer may develop subclassifications of the uniform classification system upon which a rate may be made, except that such subclassifications shall be filed with the director thirty days prior to their use. The director shall disapprove subclassifications if the insurer fails to demonstrate that the data thereby produced can be reported consistent with the uniform statistical plan and classification system.

2. The director shall designate an advisory organization to assist him in gathering, compiling and reporting relevant statistical information. Every workers' compensation insurer shall record and report its workers' compensation experience to the designated advisory

organization as set forth in the uniform statistical plan approved by the director.

3. The designated advisory organization shall develop and file manual rules, subject to the approval of the director, reasonably related to the recording and reporting of data pursuant to the uniform statistical plan, uniform experience rating plan, and the uniform classification system. Every workers' compensation insurer shall adhere to the approved manual rules and experience rating plan in writing and reporting its business. No insurer shall agree with any other insurer or with the advisory organization to adhere to manual rules which are not reasonably related to the recording and reporting of data pursuant to the uniform classification system of the uniform statistical plan.

4. The provisions of subsection 1 of this section to the contrary notwithstanding, infectious waste transporters shall be classified in accordance with the provisions of subsection 3 of section 287.950.

Unofficial

Bill

Copy