

SECOND REGULAR SESSION

SENATE BILL NO. 716

89TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CHILDERS.

Read 1st time January 13, 1998, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

S2568.03I

AN ACT

To amend chapter 67, RSMo, by adding thereto six new sections relating to cooperative insurance entities for political subdivisions.

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

Section A. Chapter 67, RSMo, is amended by adding thereto six new sections, to be known as sections 67.160, 67.163, 67.166, 67.169, 67.172 and 67.175, to read as follows:

67.160. 1. Notwithstanding any direct or implied prohibitions in chapter 375, RSMo, 377, RSMo, or 379, RSMo, any three or more counties of this state may form a business association for the purpose of providing health insurance to cover the mandated costs of health care to prisoners in county jails.

2. The insurance under this section may be provided through private insurance companies, publicly established insurance companies or the establishment of a mutual insurance company.

3. The state of Missouri may join an association as a member to pay for the health care costs of state prisoners being held in county jails. The state may limit the extent to which it pays for such costs.

67.163. 1. Any group of counties desiring to provide health insurance for prisoners in county jails shall pay a license fee of one hundred dollars and file articles of association with the director of insurance.

2. The articles shall be filed in accordance with the provisions of sections 375.201 to 375.236, RSMo. The articles shall include the names of the counties initially associated, the method by which other counties may be admitted to the association as members, the purposes for which organized, the amount of the initial assessment which is to be paid into the association, the method of assessment thereafter and the maximum amount of any assessment which the association may make against any

member. The articles may also set a minimum time period for the contract and shall set the conditions under which any county may leave the association. The articles of association shall provide for bylaws and for the amendment of the bylaws and the articles of association.

3. Each association shall designate and maintain a registered agent within this state. Service upon the agent is service upon the association and each of its members.

4. The articles of association shall be accompanied by a copy of the initial bylaws of the association. The bylaws shall provide for a governing body for the association, a manner of election thereof, the manner in which assessments will be made, the specific kinds of insurance or indemnification which will be offered, the classes of membership which will be offered, and may provide that assessments of various amounts for particular classes of membership may be made. All assessments shall be uniform within classes. The bylaws may provide for the transfer of risks to other insurance companies or for reinsurance.

5. The director of insurance shall, within thirty days after the articles of association are filed with him, determine if the proposed association meets the requirements of sections 67.160 to 67.175. If it does, he shall issue a license to the association authorizing it to do business for a one-year period.

67.166. 1. An association which is licensed may, on the seventh day thereafter, commence to do business. The association shall be a body corporate and shall do business as a corporation.

2. No member of the association shall be liable for any amounts because of its membership in the association other than for assessments as provided in the articles and bylaws of the association.

3. The business of the association shall be conducted so as to preclude any distribution of income, profit or property of the association to the individual members thereof except in payment of claims or indemnities or upon the final dissolution of the association.

4. Annually thereafter, within thirty days before the expiration of its license, each association shall pay a renewal license fee of one hundred dollars and shall file a statement with the director of insurance giving a report of its activities for the preceding year.

5. Any existing association shall also, at the time it files for renewal of its license, file any amendments to its articles of association or bylaws which have been adopted in the preceding year.

67.169. 1. Any association insuring the health care costs of county jail prisoners shall formulate, implement and monitor a safety and health improvement program for the jails.

2. The program shall include a written accident, injury and illness reduction plan that promotes healthy conditions in county jails. The plan shall be based upon clearly stated goals and objectives.

3. The association shall consult the Missouri department of corrections and national accrediting organizations when formulating its programs.

67.172. 1. The director of insurance shall be authorized in accordance with sections 375.171 and 375.173, RSMo, to examine into the affairs of any association organized under the provisions of sections 67.160 to 67.175.

2. If at any time any association fails or refuses to pay any claim finally adjudged to be due pursuant to the provisions of its articles of association and bylaws, or if the director of insurance determines that the association is unable to satisfy its contractual obligations, he shall immediately take charge of the association, its assets and affairs, and wind up those affairs as now provided by law in the case of life insurance companies.

67.175. No association organized pursuant to the provisions of sections 67.160 to 67.175 shall be required to pay any premium tax in connection with the conduct of its business.

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