

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILLS NOS. 429,  
430 & 407**  
**90TH GENERAL ASSEMBLY**

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Reported from the Committee on Insurance and Housing, April 1, 1999, with recommendation that the Senate Committee Substitute do pass.

S1936.04C

TERRY L. SPIELER, Secretary.

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**AN ACT**

To repeal section 375.147, RSMo 1994, and section 375.1518, RSMo Supp. 1998, relating to insurance, and to enact in lieu thereof six new sections relating to the same subject.

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

Section A. Section 375.147, RSMo 1994, and section 375.1518, RSMo Supp. 1998, are repealed and six new sections enacted in lieu thereof, to be known as sections 303.383, 375.147, 375.1518, 376.1400, 376.1406 and 376.1408, to read as follows:

**303.383. 1. As used in this section, the following terms mean:**

(1) "Set-off", any provision within an automobile insurance policy which directly or indirectly reduces the limits of the underinsured motor vehicle coverage stated on the policy by amounts paid or payable to an insured by the owner or operator of an underinsured motor vehicle or by some other source;

(2) "Underinsured motor vehicle", a motor vehicle the ownership, maintenance or use of which is insured for bodily injury liability with coverage limits that are less than the amount of the insured's damages;

(3) "Underinsured motor vehicle coverage", any coverage in any automobile insurance policy which purports to provide protection to any insured for damages or loss caused by the owner or operator of an underinsured motor vehicle.

2. Beginning July 1, 2000, any underinsured motor vehicle coverage with limits of liability less than two times the limits for bodily injury or death pursuant to section 303.030 shall be construed to provide coverage in excess of the liability coverage of any underinsured motor vehicle involved in the accident.

**3. Beginning July 1, 2000, any underinsured motor vehicle coverage with limits of liability of at least two times the limits for bodily injury or death pursuant to section 303.030 which includes a set-off provision shall clearly state such set-off terms and conditions within the policy. In addition, in response to all original applications for a private passenger automobile policy containing such a provision, and any such policy renewed from July 1, 2000 to June 30, 2001, the insurer shall provide information to the applicant or policyholder clearly explaining the coverage provided pursuant to the underinsured motor vehicle coverage.**

375.147. 1. Sections 375.147 to 375.153 may be cited as the "Managing General Agents Act".

2. Sections 375.147 to 375.153 shall take effect on July 1, 1991. No insurer may continue to utilize the services of a managing general agent after June 30, 1991, unless such utilization is in compliance with sections 375.147 to 375.153.

3. As used in sections 375.147 to 375.153, the following words and phrases shall mean:

(1) "Actuary", a person who is a member in good standing of the American Academy of Actuaries;

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

(3) "Insurer", any person, firm, association or corporation duly licensed in this state as an insurance company pursuant to section 375.161 or 375.791;

(4) "Managing general agent" or "MGA", any person, firm, association or corporation who manages all or part of the insurance business of an insurer, including the management of a separate division, department or underwriting office, and acts as an agent for such insurer whether known as a managing general agent, manager or other similar term, who, with or without the authority, either separately or together with affiliates, produces, directly or indirectly, and underwrites an amount of gross direct written premiums equal to or more than five percent of the policyholder surplus as reported in the last annual statement of the insurer in any one quarter or year together with one or more of the following:

(a) Adjusts or pays claims in excess of an amount determined by the director. **The threshold amount set by the director pursuant to this paragraph shall be applied equally to both domestic and foreign insurers;** or

(b) Negotiates reinsurance on behalf of the insurer.

Notwithstanding the above, the following persons shall not be considered as managing general agents for the purposes of sections 375.147 to 375.153:

a. An employee of the insurer;

b. A manager of the United States branch of an alien insurer;

c. An underwriting manager which, pursuant to contract, manages all the insurance operation of the insurer, is under common ownership or control with the insurer, subject to the

provisions of chapter 382, RSMo;

d. A person holding a valid certificate of registration as an administrator and acting solely as an "administrator" as defined in section 376.1075; or

e. The attorney authorized by and acting for the subscribers of a reciprocal insurer or interinsurance exchange under powers of attorney;

(5) "Underwrite", the authority to accept or reject risk on behalf of the insurer.

375.1518. 1. (1) If a basic illustration is used by an insurance producer or other authorized representative of the insurer in the sale of a life insurance policy and the policy is applied for as illustrated, a copy of that illustration, signed in accordance with sections 375.1500 to 375.1527, shall be submitted to the insurer at the time of policy application. A copy also shall be provided to the applicant.

(2) If the policy is issued other than as applied for, a revised basic illustration conforming to the policy as issued shall be sent with the policy. The revised illustration shall conform to the requirements of sections 375.1500 to 375.1527, shall be labeled "Revised Illustration" and shall be signed and dated by the applicant or policy owner and producer or other authorized representative of the insurer no later than the time the policy is delivered. A copy shall be provided to the insurer and the policy owner.

2. (1) If no illustration is used by an insurance producer or other authorized representative in the sale of a life insurance policy or if the policy is applied for other than as illustrated, the producer or representative shall certify to that effect in writing on a form provided by the insurer. On the same form the applicant shall acknowledge that no illustration conforming to the policy applied for was provided and shall further acknowledge an understanding that an illustration conforming to the policy as issued will be provided no later than at the time of policy delivery. This form shall be submitted to the insurer at the time of policy application.

(2) If the policy is issued, a basic illustration conforming to the policy as issued shall be sent with the policy and signed no later than the time the policy is delivered. A copy shall be provided to the insurer and the policy owner.

3. If the basic illustration or revised illustration is sent to the applicant or policy owner by mail from the insurer, it shall include instructions for the applicant or policy owner to sign the duplicate copy of the numeric summary page of the illustration for the policy issued and return the signed copy to the insurer. The insurer's obligation pursuant to this subsection shall be satisfied if it can demonstrate that it has made a diligent effort to secure a signed copy of the numeric summary page. The requirement to make a diligent effort shall be deemed satisfied if the insurer includes in the mailing a self-addressed postage prepaid envelope with instructions for the return of the signed numeric summary page.

4. A copy of the basic illustration and a revised basic illustration, if any, signed as applicable, along with any certification that either no illustration was used or that the policy was

applied for other than as illustrated, shall be retained by the insurer until three years after the policy is no longer in force. A copy need not be retained if no policy is issued.

**5. Any policy marketed with an illustration pursuant to sections 375.1500 to 375.1530 is not required to have a policy summary as required by section 376.706, RSMo.**

**376.1400. 1. Every health insurance carrier offering policies of insurance in this state shall use a standardized form for the explanation of benefits given to the health care provider whenever a claim is paid or denied. As used in this section, the term "health insurance carrier" shall have the meaning given to "health carrier" in section 376.1350. Nothing in this section shall apply to accident-only, specified disease, hospital indemnity, Medicare supplement, long-term care or other limited benefit health insurance policies.**

**2. The standardized form developed by the task force as established in section 376.1408 shall contain, but not be limited to, the following:**

- (1) The name of the insured;**
- (2) The insured's identification number;**
- (3) The date of service;**
- (4) Amount of charge;**
- (5) Explanation for any denial;**
- (6) The amount paid and any balance due;**
- (7) The procedure code;**
- (8) The patient's full name; and**

**(9) The phone number and name of whom to contact for questions on explanation of benefits.**

**3. All health insurance carriers shall use the standard explanation of benefits form after January 1, 2001.**

**376.1406. 1. Every health care provider and health carrier that conducts business in this state shall use a standardized form for referrals. The standardized referral form shall be used in lieu of any specific referral form developed by a health carrier for the referral process. As used in this section, the terms "health care provider" and "health carrier" shall have the meaning given to them in section 376.1350.**

**2. The referral form developed by the task force as established in section 376.1408 shall contain, but not be limited to, the following:**

- (1) The name of the insured;**
- (2) Place of employment;**
- (3) The name, address and phone number of the health carrier;**
- (4) The identification number and group number of the insured;**
- (5) The type of referral;**
- (6) The name, address and phone number of the health care provider referring**

**the insured;**

**(7) The name, address, and phone number of the health care provider to whom the insured was referred to;**

**(8) The number of visits requested and authorized; and**

**(9) The health carrier's authorization number.**

**3. All health care providers and health carriers shall use the standardized referral form after January 1, 2001.**

**376.1408. 1. The department of insurance shall establish a task force to develop the standardized forms required by sections 376.1400 and 376.1406. The task force shall meet for soliciting information to develop the standardized forms. The task force shall consist of the following members:**

**(1) Three health care providers;**

**(2) Three representatives from the insurance industry; and**

**(3) Three members from the general public.**

**2. No member of the task force shall receive compensation for the performance of duties related to the task force but shall be reimbursed for reasonable and necessary expenses incurred in the performance of such duties.**

**3. The department of insurance shall have the task force established by January 1, 2000.**

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