

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend _____ Senate _____ Bill No. 708, Page 1, Section Title, Line 4,

2 by inserting immediately after the word "date" the following:

3 "for certain sections"; and

4 Further amend said bill, page 8, section 303.240, line 18,

5 by inserting immediately after said line the following:

6 "379.110. As used in sections 379.110 to 379.120 the

7 following words and terms mean:

8 (1) "Insurer", any insurance company, association or
 9 exchange authorized to issue policies of automobile insurance in
 10 the state of Missouri;

11 (2) "Nonpayment of premium", failure of the named insured
 12 to discharge when due any of his or her obligations in connection
 13 with the payment of premiums on a policy, or any installment of
 14 such premium, whether the premium is payable directly to the
 15 insurer or its agent or indirectly under any premium finance plan
 16 or extension of credit;

17 (3) "Policy", an automobile policy providing automobile
 18 liability coverage, uninsured motorists coverage, automobile
 19 medical payments coverage, or automobile physical damage coverage
 20 insuring a private passenger automobile owned by an individual or
 21 partnership which has been in effect for more than sixty days or
 22 has been renewed. "Policy" does not mean:

23 (a) Any policy issued under an automobile assigned risk

1 plan or automobile insurance plan;

2 (b) Any policy insuring more than four motor vehicles;

3 (c) Any policy covering the operation of a garage,
4 automobile sales agency, repair shop, service station or public
5 parking place;

6 (d) Any policy providing insurance only on an excess basis,
7 or to any contract principally providing insurance to such named
8 insured with respect to other than automobile hazards or losses
9 even though such contract may incidentally provide insurance with
10 respect to such motor vehicles;

11 (4) "Reduction in coverage", a change made at renewal by
12 the insurer to a policy form which is effective to all insureds
13 with that policy form, which results in a removal of coverage,
14 diminution in scope or less coverage, or the addition of an
15 exclusion. Reduction in coverage does not include any change,
16 reduction, or elimination of coverage made at the request of the
17 insured. The correction of typographical or scrivener's errors
18 or the application of mandated legislative changes is not a
19 reduction in coverage. A reduction in coverage mandated by the
20 insurer which does not apply to all insureds with the same policy
21 form shall be treated as a nonrenewal.

22 (5) "Renewal" or "to renew", the issuance and delivery by
23 an insurer of a policy superseding at the end of the policy
24 period a policy previously issued and delivered by the same
25 insurer, [such renewal policy to provide types and limits of
26 coverage at least equal to those contained in the policy being
27 superseded,] or the issuance and delivery of a certificate or
28 notice extending the term of a policy beyond its policy period or
29 term [with types and limits of coverage at least equal to those

1 contained in the policy being extended]; provided, however, that
2 any policy with a policy period or term of less than six months
3 or any period with no fixed expiration date shall for the purpose
4 of this section be considered as if written for successive policy
5 periods or terms of six months. Nothing in this subdivision
6 shall be construed as superseding the provisions of subsection 9
7 of section 375.918, and the term "third anniversary date of the
8 initial contract" as used in subsection 9 of section 375.918,
9 means three years after the date of the initial contract.

10 379.118. 1. If any insurer proposes to cancel or to refuse
11 to renew a policy of automobile insurance delivered or issued for
12 delivery in this state except at the request of the named insured
13 or for nonpayment of premium, it shall, on or before thirty days
14 prior to the proposed effective date of the action, send written
15 notice of its intended action to the named insured at his last
16 known address. Notice shall be sent by United States Postal
17 Service certificate of mailing, first class mail using
18 Intelligent Mail barcode (IMb), or another mail tracking method
19 used, approved, or accepted by the United States Postal Service.
20 Where cancellation is for nonpayment of premium at least ten
21 days' notice of cancellation shall be given and such notice shall
22 contain the following notice or substantially similar in bold
23 conspicuous type: "THIS POLICY IS CANCELLED EFFECTIVE AT THE
24 DATE AND TIME INDICATED IN THIS NOTICE. THIS IS THE FINAL NOTICE
25 OF CANCELLATION WE WILL SEND PRIOR TO THE EFFECTIVE DATE AND TIME
26 OF CANCELLATION INDICATED IN THIS NOTICE.". The notice shall
27 state:

- 28 (1) The action taken;
- 29 (2) The effective date of the action;

1 (3) The insurer's actual reason for taking such action, the
2 statement of reason to be sufficiently clear and specific so that
3 a person of average intelligence can identify the basis for the
4 insurer's decision without further inquiry. Generalized terms
5 such as "personal habits", "living conditions", "poor morals", or
6 "violation or accident record" shall not suffice to meet the
7 requirements of this subdivision;

8 (4) That the insured may be eligible for insurance through
9 the assigned risk plan if his insurance is to be cancelled.

10 2. Issuance of a notice of cancellation under subsection 1
11 of this section constitutes a present and unequivocal act of
12 cancellation of the policy.

13 3. An insurer may reinstate a policy cancelled under
14 subsection 1 of this section at any time after the notice of
15 cancellation is issued if the reason for the cancellation is
16 remedied. An insurer may send communications to the insured,
17 including but not limited to billing notices for past-due
18 premium, offers to reinstate the policy if past-due premium is
19 paid, notices confirming cancellation of the policy, or billing
20 notices for payment of earned but unpaid premium. The fact that
21 a policy may be so reinstated or any such communication may be
22 made does not invalidate or void any cancellation effectuated
23 under subsection 1 of this section or defeat the present and
24 unequivocal nature of acts of cancellation as described under
25 subsection 2 of this section.

26 4. (1) An insurer shall send an insured written notice of
27 an automobile policy renewal at least fifteen days prior to the
28 effective date of the new policy. The notice shall be sent by
29 first class mail or may be sent electronically if requested by

1 the policyholder, and shall contain the insured's name, the
2 vehicle covered, the total premium amount, and the effective date
3 of the new policy. Any request for electronic delivery of
4 renewal notices shall be designated on the application form
5 signed by the applicant, made in writing by the policyholder, or
6 made in accordance with sections 432.200 to 432.295. The insurer
7 shall comply with any subsequent request by a policyholder to
8 rescind authorization for electronic delivery and to elect to
9 receive renewal notices by first class mail. Any delivery of a
10 renewal notice by electronic means shall not constitute notice of
11 cancellation of a policy even if such notice is included with the
12 renewal notice.

13 (2) An insurer shall provide a written notice of a
14 reduction in coverage to the named insured no less than fifteen
15 days prior to the effective date of the proposed reduction in
16 coverage or shall send such notice of reduction in coverage with
17 the written notice of renewal described in subdivision (1) of
18 this subsection. Written notice of a reduction in coverage may
19 be satisfied by providing the named insured a copy of or access
20 to the updated policy form or the policy form language that will
21 be changed. The notice shall be sent by first class mail or may
22 be sent electronically if agreed to or requested by the
23 policyholder.

24 5. An insurer shall be exempt from the requirements of this
25 section regarding notice of nonrenewal if:

26 (1) The insurer assigns or transfers the insured's policy
27 to an affiliate or subsidiary within the same insurance holding
28 company system;

29 (2) The assignment or transfer is effective upon the

1 expiration of the existing policy; and

2 (3) Prior to providing coverage for a subsequent policy
3 term, an insurer accepting an assignment or transfer of the
4 policy shall provide notice of such assignment or transfer to the
5 named insured.

6
7 However, if the assignment or transfer of a policy does not
8 result in coverage substantially equivalent to the coverage that
9 was contained in the policy being assigned or transferred, the
10 insurer shall, in lieu of providing the notice in subdivision (3)
11 of this subsection, at least fifteen days in advance of the
12 effective date of the assignment or transfer, notify the
13 policyholder that some coverage provisions will change due to the
14 assignment or transfer, advise the policyholder to refer to the
15 new policy for coverage details, and provide a copy of or access
16 to the replacement policy form or the executed replacement
17 policy."; and

18 Further amend said bill and page, section B, line 1, by
19 striking "Section A" and inserting in lieu thereof the following:
20 "The repeal and reenactment of sections 105.1073, 303.020,
21 303.030, 303.120, 303.190, and 303.240 and the enactment of
22 section 303.022"; and

23 Further amend the title and enacting clause accordingly.
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