

CCS SS SCS HCS HB 2168 -- INSURANCE

This bill modifies provisions relating to insurance.

UNEMPLOYMENT INSURANCE (Sections 288.132, 288.133, and B)

This bill provides that any employer required to make contributions under the unemployment compensation laws must pay an annual unemployment automation adjustment equal to .02% of its total taxable wages for the 12 month period ending the preceding June 30th. The Division of Employment Security is permitted to lower this rate under certain circumstances. These provisions have a delayed effective date of January 1, 2023.

MOTOR VEHICLE FINANCIAL RESPONSIBILITY (Sections 303.025, 303.041, and C)

The bill specifies that the Department of Revenue must establish, by rule, a process for the voluntary suspension of motor vehicle registration for vehicles which are inoperable or being stored and not in operation. The owner or nonresident must not further operate the vehicle until notifying the Department that the vehicle will be in use, and the Department must reinstate the registration upon receipt of proof of financial responsibility. Owners or nonresidents who operate a motor vehicle during a period of inoperability or storage claimed under the bill will be guilty of a Class B misdemeanor and may additionally be guilty of a violation of The Motor Vehicle Financial Responsibility Law.

The bill also provides that the Department may verify motor vehicle financial responsibility as provided by law, but must not otherwise take enforcement action unless the Director determines a violation has occurred as described in the bill.

Currently, a first violation of The Motor Vehicle Financial Responsibility Law is punishable as a Class D misdemeanor, meaning a fine may be imposed of up to \$500; a second or subsequent offense is punishable by up to 15 days in jail and/or a fine not to exceed \$500. This bill specifies that a second or subsequent offense may be punished by up to 15 days in jail and will be punished by a fine not less than \$200 but not to exceed \$500. Fines owed to the state for violations of the Motor Vehicle Financial Responsibility Law may be eligible for payment in installments. Rules for the application of payment plans will take into account individuals' ability to pay.

PETROLEUM STORAGE TANK INSURANCE FUND (Section 319.129)

Currently, the Petroleum Storage Tank Insurance Fund expires on

December 31, 2025. This bill extends the expiration date to December 31, 2030.

This also gives rule making authority to the Board of Trustees.

TRAVEL INSURANCE (Section 375.159)

The bill specifies that these provisions do not apply to cancellation fee waivers or travel assistance services, as defined in the bill.

This bill allows the Director of the Department of Commerce and Insurance to issue a limited lines travel insurance producer license to a person or business entity that has filed an application with the Director. A limited lines producer may sell, solicit, or negotiate travel insurance through a licensed insurer. The existing grounds for license suspension or revocation by the Director will apply to limited lines travel insurance producers and travel retailers, as defined in the bill. The bill specifies that certain information travel retailers are currently required to provide to customers must have been approved by the travel insurer.

Any person licensed to produce major lines of insurance may produce travel insurance as well. A property and casualty insurance producer is not required to be appointed by an insurer in order to produce travel insurance.

The bill specifies that travel insurance is subject to taxation of premiums as provided by law, with certain disclosures to be made as specified in the bill.

Travel protection plans, as defined in the bill, may be offered if the protection plan makes certain disclosures and provides information and materials described in the bill.

Except as otherwise provided in the bill, persons offering travel insurance to residents of this state are subject to the Unfair Trade Practices Act. If there is any conflict between the bill and the other insurance laws of the state regarding travel insurance, the provisions of the bill will control. It will be an unfair trade practice to offer or sell a policy of travel insurance that could never result in payment to the insured.

The bill requires documents provided to consumers prior to purchasing travel insurance to be accurate, and requires disclosure of and an opportunity to learn more about preexisting condition exclusions. The bill specifies that certain documents required by law must be provided to the purchaser as soon as practicable following the purchase of a travel protection plan, and provides

for minimum periods in which policies can be canceled for a full refund. The bill requires disclosure of whether the travel insurance is primary or secondary coverage, and specifies that marketing the policies directly to consumers through an aggregator site, as defined in the bill, must not be an unfair trade practice if an accurate summary of the coverage is provided on the web page and the consumer has access to the full policy through electronic means.

This bill prohibits the use of selling travel insurance by means of a negative option or "opt-out" that would require the consumer to take action to decline coverage, such as unchecking a box on an electronic form, when purchasing a trip. It is an unfair trade practice to market blanket travel insurance coverage, as defined in the bill, as free. Where a consumer's destination jurisdiction requires travel insurance, it will not be an unfair trade practice to require purchase of coverage through the travel retailer, or agreement to obtain and provide proof of coverage from another source, prior to departure.

A person shall not represent himself or herself as a travel administrator, as defined in the bill, for issuance of travel insurance unless the person holds one of the types of license described in the bill. Insurers are responsible for the acts of travel administrators administering their policies, and are responsible for ensuring relevant books and records are maintained to be provided to the Director upon request.

Travel insurance must be classified and filed for purposes of forms and rates under an inland marine line of insurance, except as otherwise provided in the bill. Eligibility and underwriting standards for travel insurance may be developed, provided they also meet the state's underwriting standards for inland marine insurance.

VALUATION OF INSURANCE POLICIES AND CONTRACTS (Section 376.380)

Current law requires insurers providing life insurance, accident and health policies, deposit-type contracts, or annuity or pure endowment contracts, to hold reserves in an amount determined under the National Association of Insurance Commissioners' valuation manual.

This bill repeals an exception specifying that insurers licensed and doing business in Missouri which have less than \$300 million of ordinary life insurance premium may instead utilize a different method specified by law to determine the reserve amounts, provided the insurer meets certain conditions.

ELECTRONIC DELIVERY OF INSURANCE DOCUMENTS AND NOTICES (Section 379.011)

In this bill, if a policy of insurance is purchased through the Internet, a mobile application, a computer, a mobile device, a tablet, or any other electronic device or platform or if a policy of insurance is initially delivered by electronic means, a party shall be considered to have affirmatively consented to have all future notices and documents related to the policy or claims of such policy delivered by electronic means. However, the policy holder can later withdraw his or her consent to have documents delivered electronically.

MEDICAL RETAINER AGREEMENTS (Section 376.1800)

This bill allows dentists and chiropractors to sell, offer, and market medical retainer agreements.