

HCS SB 1299 -- RESIDENTIAL PROPERTY INSURANCE

This bill changes the laws regarding insurance and amends provisions of the Property and Casualty Insurance Guaranty Association Act. The bill:

(1) Expands the guaranty association's obligations for claims arising from bodily injury, sickness, or disease to include damages for pain and suffering;

(2) Limits the claims for any one insolvent insurer to \$10 million;

(3) Expands the list of insurance products to which the guaranty association assessments will not apply, including insurance on warranties and service contracts, vendors' single-interest insurance, collateral protection insurance, any forms of insurance offering protection against investment risk, and the portion of any insurance provided or guaranteed by any government;

(4) Limits claims for unearned premiums to \$25,000 per policy;

(5) Requires claims to be filed within 18 months of the date of the liquidation order;

(6) Clarifies that the association is not deemed to be the insolvent insurer for the purpose of establishing personal jurisdiction of the courts of any state; and

(7) Clarifies that any obligation to defend the insolvent insurer terminates with the payment of the association's claim limit.

In other provisions governing insurance, the bill:

(1) Changes the definition of "renewal" as it relates to automobile insurance. Any automobile insurance policy with a term of less than six months or with no fixed expiration date will be considered a six-month policy. Under current law, the default term is 12 months;

(2) Repeals the bond requirement for acquiring a license to sell surplus lines of insurance; and

(3) Increases from \$100,000 to \$200,000 the maximum limit of liability on a residential property in the Missouri Basic Property Insurance Inspection and Placement Program and makes the insurance contracts in the program subject to credit scoring underwriting restrictions.