

SECOND REGULAR SESSION

HOUSE BILL NO. 1608

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES WILSON (130) (Sponsor) AND YATES (Co-sponsor).

Read 1st time February 1, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4690L.02I

AN ACT

To repeal sections 354.150, 354.495, 374.150, 374.160, 374.230, 374.261, 374.263, 374.265, and 374.267, RSMo, and to enact in lieu thereof five new sections relating to funding for the department of insurance.

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

Section A. Sections 354.150, 354.495, 374.150, 374.160, 374.230, 374.261, 374.263, 2 374.265, and 374.267, RSMo, are repealed and five new sections enacted in lieu thereof, to be 3 known as sections 354.150, 354.495, 374.150, 374.160, and 374.230, to read as follows:

354.150. Every health services corporation subject to the provisions of sections 354.010 2 to 354.380 shall pay the following fees to the director of insurance for enforcement of the 3 provisions of this chapter:

4	[Issuance of certificate of authority	\$150.00
5	Filing articles of amendment	\$ 20.00
6	Filing each annual statement	\$100.00
7	Filing articles of acceptance and issuing a certificate of acceptance	\$ 20.00
8	Filing any other statement or report	\$ 1.00
9	For a certified copy of any document or other paper filed in the office of the director,	
10	per page	\$.35
11	For the certificate and for affixing the seal thereto	\$ 10.00
12	For filing statement and pertinent admission papers required of a foreign health	

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

13 services corporation \$200.00
 14 For copies of papers, records and documents filed in the office of the director,
 15 an amount not to exceed, at the director's discretion \$ 1.00
 16 per page
 17 For each service of process upon the director, on behalf of the
 18 health services corporation \$ 10.00]

19 **(1) For filing the declaration required on organization of each domestic company, two**
 20 **hundred fifty dollars;**

21 **(2) For filing statement and certified copy of charter required of foreign companies,**
 22 **two hundred fifty dollars;**

23 **(3) For filing application to renew certificate of authority and all required annual**
 24 **reports, including the annual statement, actuarial statement, risk-based capital report,**
 25 **report of valuation of policies or other obligations of assurance, and audited financial**
 26 **report of any company doing business in this state, one thousand five hundred dollars;**

27 **(4) For filing any paper, document, or report not filed under subdivisions (1) to (3)**
 28 **of this section which are required to be filed in the office of the director of the department**
 29 **of insurance, fifty dollars per paper, document, or report;**

30 **(5) For affixing the seal of the office of the director of the department of insurance,**
 31 **ten dollars;**

32 **(6) For accepting each service of process upon the company, ten dollars.**

354.495. Every health maintenance organization subject to sections 354.400 to 354.550
 2 shall pay to the director the following fees:

3 (1) [Issuance or renewal of certificate of authority \$150.00
 4 (2) Filing of articles of amendment 1.00
 5 (3) Filing each annual statement 100.00
 6 (4) Filing articles of acceptance and issuing
 7 a certificate of acceptance 20.00
 8 (5) Filing any other statement or report 20.00
 9 (6) For the certification of any document, and
 10 affixing the seal thereto 10.00
 11 (7) For filing statement and pertinent admission papers required of a
 12 foreign health maintenance organization 200.00
 13 (8) For each appointment of an agent by the
 14 health maintenance organization 5.00
 15 (9) For copies of papers, records and documents filed in the office of the

16 director, an amount not to exceed, at the director's discretion 1.00
17 per page

18 (10) For each service of process upon the director, on behalf of the health
19 maintenance organization 10.00]

20 **For filing the declaration required on organization of each domestic company, two**
21 **hundred fifty dollars;**

22 **(2) For filing statement and certified copy of charter required of foreign companies,**
23 **two hundred fifty dollars;**

24 **(3) For filing application to renew certificate of authority and all required annual**
25 **reports, including the annual statement, actuarial statement, risk-based capital report,**
26 **report of valuation of policies or other obligations of assurance, and audited financial**
27 **report of any company doing business in this state, one thousand five hundred dollars;**

28 **(4) For filing any paper, document, or report not filed under subdivisions (1) to (3)**
29 **of this section which are required to be filed in the office of the director of the department**
30 **of insurance, fifty dollars per paper, document, or report;**

31 **(5) For affixing the seal of the office of the director of the department of insurance,**
32 **ten dollars;**

33 **(6) For accepting each service of process upon the company, ten dollars.**

374.150. 1. All fees due the state under the provisions of the insurance laws of this state
2 shall be paid to the director of revenue and deposited in the state treasury to the credit of the
3 insurance department fund unless otherwise provided for in subsection 2 of this section.

4 2. There is hereby established in the state treasury a special fund to be known as the
5 "Department of Insurance Dedicated Fund". The fund shall be subject to appropriation of the
6 general assembly and shall be devoted solely to the payment of expenditures incurred by the
7 department of insurance attributable to duties performed by the department **for the regulation**
8 **of the business of insurance and the operation of the division of consumer affairs** as
9 required by law which are not paid for by another source of funds. Other provisions of law to
10 the contrary notwithstanding, beginning on January 1, 1991, all fees charged under any provision
11 of chapter 325, 354, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384 or 385, RSMo, due
12 the state shall be paid into this fund. The state treasurer shall invest moneys in this fund in the
13 same manner as other state funds and any interest or earnings on such moneys shall be credited
14 to the department of insurance dedicated fund. The provisions of section 33.080, RSMo,
15 notwithstanding, moneys in the fund shall not lapse, be transferred to or placed to the credit of
16 the general revenue fund unless and then only to the extent to which the unencumbered balance

17 at the close of the biennium year exceeds two times the total amount appropriated, paid, or
18 transferred to the fund during such fiscal year.

19 3. Notwithstanding the provisions of this section to the contrary, fifty-five percent of the
20 balance in the department of insurance dedicated fund as of the effective date of this act or six
21 million fifteen thousand eight hundred and fifty-five dollars, whichever is greater, shall be
22 subject to an immediate one-time transfer to the state general revenue fund.

374.160. 1. The expenses of examinations, valuations or proceedings against any
2 company, and for dissolving or settling the affairs of companies are to be paid by the company,
3 or as provided by law. The state shall not be responsible in any manner for the payment of any
4 such expenses, or any charges connected therewith.

5 2. All other expenses of the department of insurance now or hereafter incurred and
6 unpaid, or that may be hereafter incurred, including the salaries of the director and deputy
7 director, shall be paid out of the state treasury in the manner provided by law.

8 3. The director shall assess the expenses of any examination against the company
9 examined and shall order that the examination expenses be paid into the insurance examiners
10 fund created by section 374.162. [The director shall also assess an additional amount equal to
11 fifteen percent of the total expenses of examination, to be paid for the supervision and support
12 of the examiners. The insurance examiner's sick leave fund created by sections 374.261 to
13 374.267 shall be combined with the insurance examiners fund.] **Such assessment shall include**
14 **the costs of compensation, including benefits, for the examiners, analysts, actuaries, and**
15 **attorneys directly contributing to the examination of the company, any reasonable travel,**
16 **lodging, and meal expenses related to an on-site examination, and other expenses related**
17 **to the examination of the company, including an allocation for examiners' office space,**
18 **supplies, and equipment, but not expenses associated with attending a course, seminar, or**
19 **conference unless solely related to the examination of the company assessed.** The director
20 shall pay from the insurance examiners fund the compensation of insurance examiners [pursuant
21 to section 374.115, any expenses to be paid from such sick leave fund under sections 374.261
22 to 374.267, and expenses incurred for supervision and support of the examiners], **analysts,**
23 **actuaries, and attorneys, including standard benefits afforded to state employees, for**
24 **performance of any such examination and other expenses covered in the assessment.** The
25 general assembly shall annually provide appropriations sufficient to distribute all receipts into
26 the insurance examiners fund. The provisions of section 33.080, RSMo, relating to the transfer
27 of unexpended balances to the general revenue fund shall not apply to the insurance examiners
28 fund.

29 4. If any company shall refuse to pay the expenses of any examination, valuation or
30 proceeding assessed by the director pursuant to this section, the company shall be liable for
31 double the amount of such expenses and all costs of collection, including attorney's fees. The
32 company shall not be entitled to a credit, pursuant to section 148.400, RSMo, for any fees,
33 expenses or costs ordered pursuant to this subsection other than in the amount of the expenses
34 originally assessed by the director. All amounts collected pursuant to this subsection shall be
35 credited to the insurance examiners fund.

 374.230. Every insurance company doing business in this state shall pay to the director
2 of revenue the following fees:

3 (1) [For making valuations of policies or other obligations of assurance, one thousand
4 dollars for all ordinary forms of policies, and the cost of computing special evaluation tables for
5 policy forms requiring such shall be added;

6 (2)] For filing the declaration required on organization of each company, **two hundred**
7 fifty dollars;

8 [(3)] (2) For filing statement and certified copy of charter required of foreign companies,
9 **two hundred** fifty dollars;

10 (4) For filing annual statement of any company doing business in this state, two hundred
11 fifty dollars;

12 (5) (3) **For filing application to renew certificate of authority and all required**
13 **annual reports, including the annual statement, actuarial statement, risk-based capital**
14 **report, report of valuation of policies or other obligations of assurance, and audited**
15 **financial report of any company doing business in this state, one thousand five hundred**
16 **dollars;**

17 (4) For filing supplementary annual statement of any company doing business in this
18 state, [ten] **fifty** dollars;

19 [(6)] (5) For filing any [other] paper, **document, or report not filed under subdivisions**
20 **(1) to (3) of this section, but** required to be filed in the office of the director of the department
21 of insurance, fifty dollars each;

22 [(7)] (6) For [each agent's copy of his] **a copy of a** company's certificate of authority or
23 **producer or agent** license, [two] **ten** dollars;

24 (8) For copies of papers, records, and documents filed in the office of the director of the
25 department of insurance, twenty cents per folio;

26 (9) (7) For affixing the seal of office of the director of the department of insurance, ten
27 dollars;

28 [(10)] (8) For accepting each service of process upon the company, ten dollars.

2 [374.261. As used in sections 374.261 to 374.269, the following words
mean:

- 3 (1) "Director", the director of the department of insurance;
4 (2) "Examiners", nonsalaried employees of the department of insurance
5 conducting an examination pursuant to section 374.190;
6 (3) "Sick leave", those days of leave taken during the conduct of an
7 examination during which an examiner is prevented from conducting an
8 examination due to illness or injury.]
9

2 [374.263. There is hereby created in the state treasury a fund to be known
as the "Insurance Examiner's Sick Leave Fund", hereinafter referred to as the
3 "fund". The fund shall be used to pay the daily wages of department of insurance
4 examiners who are temporarily unable to continue an examination of an
5 insurance company or companies pursuant to section 374.190, because of illness
6 or injury suffered or sustained by the examiner during the course of the
7 examination which the examiner is conducting.]
8

2 [374.265. 1. There shall be an amount assessed against those domestic
insurers which are subject to premium tax and are engaged in the business of
3 insurance within this state, which amount shall be no less than one hundred and
4 fifty nor greater than five hundred dollars.

5 2. The initial assessment shall be made within one month of September 28,
6 1981, in the total amount of thirty-six thousand dollars. Thereafter, assessments
7 shall be made annually, or as needed whenever the balance in the fund becomes
8 less than ten thousand dollars. The amount of such subsequent assessments shall
9 be that amount necessary to return the balance in the fund to thirty-six thousand
10 dollars.]
11

2 [374.267. 1. The director of the department of insurance, his agents or
appointees shall be empowered to make assessments pursuant to section 374.265,
3 and to administer the fund.

4 2. The director, his agents or appointees shall compensate an examiner out
5 of the fund only after the examiner has satisfied the director, his agents or
6 appointees that:

7 (1) The examiner was employed by the department of insurance to conduct
8 an examination of an insurance company or companies pursuant to section
9 374.190 at the time of the illness or injury for which daily wages are claimed; and

10 (2) The examiner was prevented from conducting the examination due to
11 illness or injury.

12 3. The amount paid by the director, his agents or appointees to an examiner
13 from the fund shall not exceed the amount of the examiner's daily wages times
14 the number of days during which the examiner was prevented from conducting

15 an examination as result of illness or injury, but in no event shall any examiner
16 be paid for more than one and one-fourth days times the number of months for
17 which he has been employed by the department of insurance as an examiner, nor
18 shall an examiner be paid for or receive credit for sick leave after August 13,
19 1988, for or on the basis of any month, months or portion thereof before August
20 13, 1988.]

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