

SECOND REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 1504

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE YATES.

Read 1st time January 24, 2006 and copies ordered printed.

Read 2nd time January 25, 2006 and referred to the Committee on Insurance Policy February 26, 2006.

Reported from the Committee on Insurance Policy March 8, 2006 with recommendation that the bill Do Pass by Consent. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

Reported from the Committee on Rules March 16, 2006 with recommendation that the bill Do Pass by Consent.

Perfectured by Consent March 31, 2006.

STEPHEN S. DAVIS, Chief Clerk

4706L.01P

AN ACT

To repeal sections 376.961, 379.860, and 383.175, RSMo, and to enact in lieu thereof three new sections relating to insurance board membership.

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

Section A. Sections 376.961, 379.860, and 383.175, RSMo, are repealed and three new
2 sections enacted in lieu thereof, to be known as sections 376.961, 379.860, and 383.175, to read
3 as follows:

376.961. 1. There is hereby created a nonprofit entity to be known as the "Missouri
2 Health Insurance Pool". All insurers issuing health insurance in this state and insurance
3 arrangements providing health plan benefits in this state [on and after January 1, 1991,] shall be
4 members of the pool.

5 2. [The director shall give notice to all insurers and insurance arrangements of the time
6 and place for the initial organizational meetings.] **Beginning January 1, 2007**, the board of
7 directors shall [be selected by the pool participants, and shall consist of seven members: one
8 member each from the three largest domestic insurance companies participating in the pool,

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.

9 based on premium income in Missouri; one member each from the two largest domestic health
 10 services corporations participating in the pool, based on premium income in Missouri; one
 11 member from an independent domestic health maintenance organization participating in the pool;
 12 and one member from the general public who is not an insurer, or any officer, director, or
 13 employee of an insurer. Two members of the board of directors shall be of minority groups and
 14 at least one such member shall be an African-American. The board shall appoint one or more
 15 insurers to serve as administrator. Both the selection of the board of directors and the
 16 administering insurer shall be subject to approval by the director.

17 3. If, within sixty days of the organizational meeting, the board of directors is not
 18 selected or the administering insurer is not appointed, the director shall appoint the initial board
 19 and appoint an administering insurer] **consist of the director of the department of insurance**
 20 **or the director's designee, and eight members appointed by the director. Of the initial**
 21 **eight members appointed, three shall serve a three-year term, three shall serve a two-year**
 22 **term, and two shall serve a one-year term. All subsequent appointments to the board shall**
 23 **be for three-year terms. Members of the board shall have a background and experience**
 24 **in health insurance plans or health maintenance organization plans, in health care finance,**
 25 **or as a health care provider or a member of the general public; except that, the director**
 26 **shall not be required to appoint members from each of the categories listed. The director**
 27 **may reappoint members of the board. The director shall fill vacancies on the board in the**
 28 **same manner as appointments are made at the expiration of a member's term.**

379.860. 1. This program shall be administered by a governing committee (hereinafter
 2 referred to as "the committee") of the facility, subject to the supervision of the director, and
 3 operated by a manager appointed by the committee.

4 2. The committee shall consist of thirteen members:

5 (1) Ten members shall be elected from the following:

6 American Insurance Association, two

7 [Alliance of American Insurers] **Property Casualty Insurers Association of America,**

8 two

9 National Association of [Independent Insurers, two] **Mutual Insurance Companies, one**
 10 **Missouri Insurance Coalition, one**

11 All other stock insurers, two

12 All other nonstock insurers, two

13 (2) Three members shall be appointed by the director from each of the following:

14 Missouri insurer, one

15 Licensed agent of an insurer, two

16 Not more than one insurer in a group under the same management or ownership shall
17 serve on the committee at the same time.

18 3. In case of a vacancy on the governing committee the director shall appoint a
19 representative to such vacancy pending the designation or election as provided in the program.

20 [4. A temporary governing committee shall be appointed by the director to serve until
21 an official committee is duly elected and appointed.]

383.175. The association shall be governed by a board of eight directors, to be appointed
2 by the director for the terms specified in the plan of operation. Two directors shall represent
3 insurers which write bodily injury insurance in Missouri and are members of the [National
4 Association of Independent Insurers] **Property Casualty Insurers Association of America**, two
5 shall represent insurers which write bodily injury insurance in Missouri and are members of the
6 [American Mutual Insurance Alliance] **Missouri Insurance Coalition**, two shall represent
7 insurers which write bodily injury insurance in Missouri and are members of the American
8 Insurance Association, and two shall represent insurers which write bodily injury insurance in
9 Missouri but are not members of any of the foregoing trade associations. The directors shall be
10 reimbursed out of the administrative funds of the association only for necessary and actual
11 expenses incurred for attending meetings of the governing board.

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