

SCS SB 1168 -- PREMIUM REFUND CALCULATIONS FOR CREDIT INSURANCE

SPONSOR: Dempsey (Scharnhorst)

COMMITTEE ACTION: Voted "do pass by consent" by the Special Committee on Financial Institutions by a vote of 7 to 0.

This substitute changes the requirements for premium refund calculations on credit insurance. The first month's premium is earned on the first day of coverage, and each successive month's premium will be earned on the anniversary date of the coverage.

FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that the bill will correct a statutory conflict of law. Currently, premium refunds are to be paid at the first of the month. If this is done and the policy end date is later than the first of the month, insurers are violating statute because they are prohibited from giving free insurance.

Testifying for the bill were Senator Dempsey; Assurant, Incorporated; Missouri Bankers Association; and Missouri Financial Services Association.

OPPOSERS: There was no opposition voiced to the committee.