

SECOND REGULAR SESSION

# HOUSE BILL NO. 1796

## 95TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE AULL.

4666L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To amend chapter 375, RSMo, by adding thereto one new section relating to insurance premium rates.

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

Section A. Chapter 375, RSMo, is amended by adding thereto one new section, to be known as section 375.996, to read as follows:

**375.996. 1. As used in this section, the following terms shall mean:**

2 (1) "Director", the director of the department of insurance, financial institutions  
3 and professional registration;

4 (2) "Insurer", any insurance company, health services corporation, or health  
5 maintenance organization licensed to do business in the state of Missouri.

6 **2. If any insurer proposes to increase or decrease the premium rates applicable to  
7 any line or class of insurance by fifteen percent or more, the insurer shall notify the  
8 director in writing at least sixty days prior to the effective date of the proposed premium  
9 rate change. The notice shall include a detailed description of the proposed premium rate  
10 change, actuarial justification for the premium rate change, and such other information  
11 as the director may prescribe by rule.**

12 **3. Within ten days of receipt of the notice from the insurer, the director shall set a  
13 date for a public hearing on the proposed premium rate change and shall publish notice  
14 of the hearing. The date set for the hearing shall be within thirty days after receipt of the  
15 notice from the insurer. The director shall provide a copy of any information filed by the  
16 insurer under subsection 2 of this section to any person making a written request for such  
17 information.**

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.

18           **4. At the hearing, the insurer may provide additional information in support of its**  
19 **proposed premium rate change, and any member of the public may provide information**  
20 **in support of or in opposition to the proposed premium rate change.**

21           **5. Within twenty days after the close of the hearing, the director shall review all of**  
22 **the information submitted to determine whether the proposed premium rate change is**  
23 **justified. No rate shall be considered justified that is excessive, inadequate, or unfairly**  
24 **discriminatory. If the director determines that the rate is justified, the director shall issue**  
25 **an order authorizing the insurer to use the premium rate as proposed. If the director**  
26 **determines that the rate is not justified, the director shall issue an order prohibiting the use**  
27 **of the premium rate as proposed. The insurer may appeal the order under chapter 536.**

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