

HCS SS SB 691 -- INSURANCE POLICIES

Currently, when an insurance policy is canceled due to nonpayment of premium at least 10 days' notice of cancellation must be given. This bill specifies that the notice must contain the following notice or a notice that is substantially similar in bold conspicuous type:

"THIS POLICY IS CANCELED EFFECTIVE AT THE DATE AND TIME INDICATED IN THIS NOTICE. THIS IS THE FINAL NOTICE OF CANCELLATION WE WILL SEND PRIOR TO THE EFFECTIVE DATE AND TIME OF CANCELLATION INDICATED IN THIS NOTICE."

The bill also allows an insurer to reinstate a policy at any time after the notice of cancellation is issued if the reason for the cancellation is remedied and specifies the communications the insurer may send to the insured.

Beginning January 1, 2015, the bill permits an authorized insurer to issue a policy specifically for sinkhole losses under the Missouri Basic Property Insurance Inspection and Placement Program. Coverage must be only for habitational structures and must not cover driveways or nonhabitational detached structures. Coverage of the contents must apply only when the habitational structure is covered by sinkhole loss and does not include loss of the value of the land or the costs associated with filling the sinkhole. Specific procedures for sinkhole loss claims investigation and expedited claims may be developed by insurers in addition to regulations covered under the program.