

FIRST REGULAR SESSION

HOUSE BILL NO. 1162

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE GOSEN.

2475H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 375.330, RSMo, and to enact in lieu thereof one new section relating to insurance.

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

Section A. Section 375.330, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 375.330, to read as follows:

375.330. 1. No insurance company formed under the laws of this state shall be permitted to purchase, hold or convey real estate, excepting for the purpose and in the manner herein set forth, to wit:

(1) Such as shall be necessary for its accommodation in the transaction of its business; provided that before the purchase of real estate for any such purpose, the approval of the director of the department of insurance, financial institutions and professional registration must be first had and obtained, and except with the approval of the director, the value of such real estate, together with all appurtenances thereto, purchased for such purpose shall not exceed twenty percent of the insurance company's capital and surplus as shown by its last annual statement; or

(2) Such as shall have been mortgaged in good faith by way of security for loans previously contracted, or for moneys due; or

(3) Such as shall have been conveyed to it in satisfaction of debts contracted in the course of its dealings; or

(4) Such as shall have been purchased at sales upon the judgments, decrees or mortgages obtained or made for such debts; or

(5) Such as shall be necessary and proper for carrying on its legitimate business under the provisions of the Urban Redevelopment Corporations Act; or

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 (6) Such as shall have been acquired under the provisions of the Urban Redevelopment
19 Corporations Act permitting such company to purchase, own, hold or convey real estate; or

20 (7) Such real estate, or any interest therein, as may be acquired or held by it by purchase,
21 lease or otherwise, as an investment for the production of income, which real estate or interest
22 therein may thereafter be held, improved, developed, maintained, managed, leased, sold or
23 conveyed by it as real estate necessary and proper for carrying on its legitimate business; or

24 (8) A reciprocal or interinsurance exchange may, in its own name, purchase, sell,
25 mortgage, hold, encumber, lease, convey, or otherwise affect the title to real property for the
26 purposes and objects of the reciprocal or interinsurance exchange. Such deeds, notes, mortgages
27 or other documents relating to real property may be executed by the attorney in fact of the
28 reciprocal or interinsurance exchange. This provision shall be retroactive and shall apply to real
29 estate owned or sold by a reciprocal insurer prior to August 28, 1990.

30 2. The investments acquired under subdivision (7) of subsection 1 of this section may
31 be in either existing or new business or industrial properties, or for new residential properties or
32 new housing purposes.

33 3. Provided, no such insurance company shall invest more than ten percent of its
34 admitted assets, as shown by its last annual statement preceding the date of acquisition, as filed
35 with the director of the department of insurance, financial institutions and professional
36 registration of the state of Missouri, in the total amount of real estate acquired under subdivision
37 (7) of subsection 1 **of this section**, nor more under subdivision (7) of subsection 1 **of this section**
38 than one percent of its admitted assets or ten percent of its capital and surplus, whichever is
39 greater, in any one property, nor more under subdivision (7) of subsection 1 **of this section** than
40 one percent of its admitted assets or ten percent of its capital and surplus, whichever is greater,
41 in total properties leased or rented to any one individual, partnership or corporation.

42 4. It shall not be lawful for any company incorporated as aforesaid to purchase, hold or
43 convey real estate in any other case or for any other purpose; and all such real estate acquired in
44 payment of a debt, by foreclosure or otherwise, and real estate exchanged therefor, shall be sold
45 and disposed of within ten years after such company shall have acquired absolute title to the
46 same, unless the company owning such real estate or interest therein shall elect to hold it
47 pursuant to subdivision (7) of subsection 1 **of this section**.

48 5. The director of the department of insurance, financial institutions and professional
49 registration may, for good cause shown, extend the time for holding such real estate acquired in
50 paying of a debt, by foreclosure or otherwise, and real estate exchanged therefor, and not held
51 by the company under subdivision (7) of subsection 1 **of this section**, for such period as he may
52 find to be to the best interests of the policyholders of said company.

53 6. If a life insurance company depositing under section 376.170 becomes the owner of
54 real estate pursuant to this section, the company may execute its own deed for the real estate to
55 the director of the department of insurance, financial institutions and professional registration,
56 as trustee. The deed may be deposited with the director as proper security, under and according
57 to the provisions of sections 376.010 to 376.670, the value to be subject to the approval of the
58 director.

59 7. This section shall not apply to an insurer organized under chapter 376.

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