

SECOND REGULAR SESSION

HOUSE BILL NO. 2387

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE COLONA.

6087H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 375.001, RSMo, and to enact in lieu thereof two new sections relating to certain prohibited actions by insurers.

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

Section A. Section 375.001, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 375.001 and 375.009, to read as follows:

375.001. 1. As used in this chapter, unless otherwise clearly indicated by the context, the following words mean:

(1) "Department", the department of insurance, financial institutions and professional registration;

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

2. As used in sections 375.001 to [375.008] **375.011** the following words and terms mean:

(1) "Insurer", all insurance companies, reciprocals, or interinsurance exchanges transacting the business of insurance in this state;

(2) "Nonpayment of premium", failure of the named insured to discharge when due any of his obligations in connection with the payment of premiums on the policy, or any installment of the premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit;

(3) "Nonrenewal", the determination of an insurer not to issue or deliver a policy replacing at the end of the policy period a policy previously issued and delivered by the same insurer or a certificate or notice extending the term of a policy beyond its policy period or term;

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) "Policy", a contract of insurance providing fire and extended coverage insurance,
19 whether separately or in combination with other coverages, on owner-occupied habitational
20 property not exceeding two families. "Policy" does not include any insurance contracts issued
21 under a property insurance inspection and placement program ("FAIR" plan) or an assigned risk
22 plan, or any insurance contracts insuring property not used predominantly for habitational
23 purposes, or an insurance contract insuring a mobile home;

24 (5) "Renewal" or "to renew", the issuance and delivery by an insurer of a policy replacing
25 at the end of the policy period a policy previously issued and delivered by the same insurer, or
26 the issuance and delivery of a certificate or notice extending the term of the policy beyond its
27 policy period or term. Any policy with a policy period or term of less than six months shall for
28 the purposes of sections 375.001 to [375.008] **375.011** be considered as if written for a policy
29 period or term of six months. Any policy written for a term longer than one year or any policy
30 with no fixed expiration date shall, for the purpose of sections 375.001 to [375.008] **375.011**, be
31 considered as if written for successive policy periods or terms of one year, and the policy may
32 be terminated at the expiration of any annual period upon giving thirty days' notice of
33 cancellation prior to the anniversary date, and the cancellation shall not be subject to any other
34 provisions of sections 375.001 to [375.008] **375.011**.

**375.009. An insurer shall not consider or utilize any of the following events for
2 purposes of increasing any premium, refusing to write or renew a policy or binder of
3 insurance, or cancelling a policy or binder of insurance:**

4 (1) **An insured's inquiry into the type or level of coverage or an inquiry into
5 whether a policy will cover a loss;**

6 (2) **An insured's inquiry regarding coverage for a loss if the insured files no claim;**

7 (3) **The filing of any claim if the insurer conducts no investigation of the claim, the
8 insurer does not initiate any other claim activity, and the claim does not involve deceptive
9 practices on the part of the insured;**

10 (4) **The filing of any claim if the insurer makes no payment to or on behalf of the
11 insured and the claim does not involve deceptive practices on the part of the insured; and**

12 (5) **The filing of any first-party property claim if such filing occurred more than
13 ten years earlier, unless the insurer provides evidence that the insured unreasonably failed
14 to maintain the property and the failure to maintain the property contributed to the loss.**

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