HCS HBs 339 & 714 -- TORT CLAIMS

SPONSOR: DeGroot

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing
Committee on Insurance Policy by a vote of 9 to 2.

This bill specifies that if a person who has a claim for damages
against a tort-feasor enters into a contract with a tort-feasor's
insurer, such person will, in consideration for payment of a
specified amount of money and in case of judgment against the tort-
feasor, levy execution only up to the applicable monetary limits of
the insurance contract. The bill also specifies that execution or
garnishment proceedings as to the insurer or insurers depend on
whether the insurer or insurers have been notified in writing of
the contract and have been given the opportunity to intervene
within 30 days in any lawsuit relating to the un-liquidated claim
for damages.

PROPONENTS: Supporters say that this bill is needed to allow
insurance companies to have their day in court. Currently, there
are judgments awarded requiring insurance companies to pay when the
insured is not covered for an act and they don't have an
opportunity to have the courts hear their side.

Testifying for the bill were Representative DeGroot; American
Insurance Association; State Farm Insurance Companies; Missouri
Insurance Coalition; Property Casualty Insurance Association of
America; American Family Insurance Group; Missouri Chamber of
Commerce and Industry; Associated Industries of Missouri; Missouri
Intergovernmental Risk Management Association; Shelter Insurance;
Missouri Organization of Defense Lawyers; Nikki Cannezzaro, MoDL;
Missouri Hospital Association; Daniel Sakahuchi, Missouri United
School Insurance Council; Property Casualty Insurers Association of
America; and Farmers Group, Inc.

OPPONENTS: Those who oppose the bill say that insurers are denying
claims and saving money at the expense of their insureds and this
will give insurance companies an incentive to deny more claims.

Testifying against the bill were Jeff Bauer, Missouri Association
of Trial Attorneys, and Joshua P. Myers.