

FIRST REGULAR SESSION

# HOUSE BILL NO. 151

95TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE YATES.

0539L.011

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To repeal section 376.964, RSMo, and to enact in lieu thereof two new sections relating to the Missouri health insurance pool.

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

Section A. Section 376.964, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 376.964 and 376.988, to read as follows:

376.964. The board of directors and administering insurers of the pool shall have the general powers and authority granted under the laws of this state to insurance companies licensed to transact health insurance as defined in section 376.960, and, in addition thereto, the specific authority to:

(1) Enter into contracts as are necessary or proper to carry out the provisions and purposes of sections 376.960 to 376.989, including the authority, with the approval of the director, to enter into contracts with similar pools of other states for the joint performance of common administrative functions, or with persons or other organizations for the performance of administrative functions;

(2) Sue or be sued, including taking any legal actions necessary or proper for recovery of any assessments for, on behalf of, or against pool members;

(3) Take such legal actions as necessary to avoid the payment of improper claims against the pool or the coverage provided by or through the pool;

(4) Establish appropriate rates, rate schedules, rate adjustments, expense allowances, [agents' referral fees,] claim reserve formulas and any other actuarial function appropriate to the operation of the pool. Rates shall not be unreasonable in relation to the coverage provided, the risk experience and expenses of providing the coverage. Rates and rate schedules may be

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 adjusted for appropriate risk factors such as age and area variation in claim costs and shall take  
19 into consideration appropriate risk factors in accordance with established actuarial and  
20 underwriting practices;

21 (5) Assess members of the pool in accordance with the provisions of this section, and  
22 to make advance interim assessments as may be reasonable and necessary for the organizational  
23 and interim operating expenses. Any such interim assessments are to be credited as offsets  
24 against any regular assessments due following the close of the fiscal year;

25 (6) Issue policies of insurance in accordance with the requirements of sections 376.960  
26 to 376.989;

27 (7) Appoint, from among members, appropriate legal, actuarial and other committees as  
28 necessary to provide technical assistance in the operation of the pool, policy or other contract  
29 design, and any other function within the authority of the pool;

30 (8) Establish rules, conditions and procedures for reinsuring risks of pool members  
31 desiring to issue pool plan coverages in their own name. Such reinsurance facility shall not  
32 subject the pool to any of the capital or surplus requirements, if any, otherwise applicable to  
33 reinsurers;

34 (9) Negotiate rates of reimbursement with health care providers on behalf of the  
35 association and its members;

36 (10) Administer separate accounts to separate federally defined eligible individuals and  
37 trade act eligible individuals who qualify for plan coverage from the other eligible individuals  
38 entitled to pool coverage and apportion the costs of administration among such separate  
39 accounts.

**376.988. All agents and brokers selling or renewing Missouri health insurance pool  
2 policies shall receive a five percent commission upon approval of a new application or  
3 renewal of coverage under a health insurance pool policy.**

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