

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 620**  
**96TH GENERAL ASSEMBLY**

4661L.04C

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal sections 375.993, 376.010, 376.015, and 376.307, RSMo, and to enact in lieu thereof four new sections relating to life, health, and accident insurance.

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

Section A. Sections 375.993, 376.010, 376.015, and 376.307, RSMo, are repealed and  
2 four new sections enacted in lieu thereof, to be known as sections 375.993, 376.010, 376.015,  
3 and 376.307, to read as follows:

375.993. 1. The department's papers, documents, reports, or evidence relative to the  
2 subject of an investigation under this section shall not be subject to public inspection for so long  
3 as the department deems reasonably necessary to complete the investigation and any subsequent  
4 legal action. Further, such papers, documents, reports, or evidence relative to the subject of an  
5 investigation under sections 375.991 to 375.994 shall not be subject to subpoena until opened  
6 for public inspection by the department, unless the department consents, or until, after notice to  
7 the department and a hearing, the court determines the department would not be unnecessarily  
8 hindered by such subpoena. Department investigators shall not be subject to subpoena in civil  
9 actions by any court of this state to testify concerning any matter of which they have knowledge  
10 pursuant to a pending insurance fraud investigation by the department.

11 2. No insurer, employees or agents of any insurer, or any other person acting without  
12 malice, shall be subject to civil liability **of any kind, including** for libel [or otherwise] **and**  
13 **slander** by virtue of the filing of reports or furnishing other information required by sections  
14 375.991 to 375.994 or required by the department of insurance, financial institutions and  
15 professional registration as a result of the authority granted in sections 375.991 to 375.994. **In**  
16 **addition, except when a person knowingly and intentionally communicates false**

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.

17 **information, no civil cause of action of any nature may arise against such person for any**  
18 **of the following:**

19 **(1) Any information relating to suspected or anticipated fraudulent insurance acts**  
20 **furnished to or received from law enforcement officials, their agents, and employees;**

21 **(2) Any information relating to suspected or anticipated fraudulent insurance acts**  
22 **furnished to or received from other persons subject to the provisions of sections 375.991**  
23 **to 375.994 and this section;**

24 **(3) Any information relating to suspected or anticipated fraudulent insurance acts**  
25 **furnished in reports to a federal or state governmental agency or office, the National**  
26 **Association of Insurance Commissioners, the National Insurance Crime Bureau, or any**  
27 **other organization established to detect and prevent fraudulent insurance acts, or to their**  
28 **agents, employees, or designees, or a recognized comprehensive database system recognized**  
29 **by the department.**

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31 **Nothing herein is intended to abrogate or modify in any way any common law or statutory**  
32 **privilege or immunity heretofore enjoyed by any person.**

376.010. Any number of persons, not less than thirteen, may associate and form a  
2 company for the purpose of making insurance upon the lives of individuals, and every assurance  
3 pertaining thereto or connected therewith (**including, for policies issued outside of the United**  
4 **States of America, insurance of non-life risks that are attached as riders to policies insuring**  
5 **the lives of individuals; provided that the aggregate premium assumed on an annual basis**  
6 **pursuant to such non-life risks does not exceed three percent of the capital and surplus of**  
7 **such company as of the thirty-first day of December of the preceding year), and to grant,**  
8 purchase and dispose of annuities and endowments of every kind and description whatsoever,  
9 and to provide an indemnity against death, and for weekly or other periodic indemnity for  
10 disability occasioned by accident or sickness to the person of the insured; but such accident and  
11 health insurance shall be made a separate department of the business of the life insurance  
12 company undertaking it.

376.015. Corporations doing the business specified in section 376.010 may also make  
2 insurance to provide a periodic indemnity for involuntary unemployment when such insurance  
3 is sold in connection with an extension of credit **or, to the extent such insurance is sold outside**  
4 **of the United States of America, group life insurance.** Any company making such insurance  
5 shall comply with the provisions of section 379.400 and the regulations promulgated pursuant  
6 thereto, and shall have, in addition to any other capital requirements for such company, a fully  
7 paid capital and surplus equal to the amount required in section 379.010. Involuntary

8 unemployment insurance may be written on either an individual or a group basis, but in no event  
9 may group involuntary insurance coverage be offered to residents of a state other than Missouri  
10 unless the regulatory official governing insurance in such state has granted prior approval.

376.307. 1. Solely for the purpose of acquiring investments that exceed the quantitative  
2 limitations of sections 376.297 to 376.304, an insurer may acquire under this subsection an  
3 investment, or engage in investment practices described in section 376.303, but an insurer shall  
4 not acquire an investment, or engage in investment practices described in section 376.303, under  
5 this subsection if as a result of and after giving effect to the transaction:

6 (1) The aggregate amount of investments then held by an insurer under this subsection  
7 would exceed three percent of its admitted assets; or

8 (2) The aggregate amount of investments as to one limitation in sections 376.297 to  
9 376.304 then held by the insurer under this subsection would exceed one percent of its admitted  
10 assets.

11 2. In addition to the authority provided in subsection 1 of this section, an insurer may  
12 acquire under this subsection an investment of any kind, or engage in investment practices  
13 described in section 376.303 that are not specifically prohibited by this chapter without regard  
14 to the categories, conditions, standards, or other limitations of sections 376.297 to 376.304, if  
15 as a result of and after giving effect to the transaction the aggregate amount of investments then  
16 held under this subsection would not exceed the lesser of:

17 (1) Ten percent of its admitted assets; or

18 (2) Seventy-five percent of its capital and surplus.

19 An insurer shall not acquire any investment, or engage in any investment practice under this  
20 subsection, if as a result of and after giving effect to the transaction the aggregate amount of all  
21 investments in any one person then held by the insurer under this subsection would exceed three  
22 percent of its admitted assets.

23 3. In addition to the investments acquired under subsections 1 and 2 of this section, an  
24 insurer may acquire under this subsection an investment of any kind, or engage in investment  
25 practices described in section 376.303 that are not specifically prohibited by this chapter without  
26 regard to any limitations of sections 376.297 to 376.304, if:

27 (1) The director grants prior approval;

28 (2) The insurer demonstrates that its investments are being made in a prudent manner  
29 and that the additional amounts will be invested in a prudent manner; and

30 (3) As a result of and after giving effect to the transaction, the aggregate amount of  
31 investments then held by the insurer under this subsection does not exceed the greater of:

32 (a) Twenty-five percent of its capital and surplus; or

33 (b) One hundred percent of its capital and surplus less ten percent of its admitted assets.  
34 4. Under this section, an insurer shall not acquire or engage in an investment practice  
35 prohibited under section 376.294 or **acquire or engage in** an investment that is a derivative  
36 transaction.

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