

SECOND REGULAR SESSION

HOUSE BILL NO. 1112

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE GOSEN.

4764L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 376.010, 376.015, and 376.307, RSMo, and to enact in lieu thereof three new sections relating to life insurance companies.

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

Section A. Sections 376.010, 376.015, and 376.307, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 376.010, 376.015, and 376.307, to read as follows:

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

376.015. Corporations doing the business specified in section 376.010 may also make insurance to provide a periodic indemnity for involuntary unemployment when such insurance is sold in connection with an extension of credit **or, to the extent such insurance is sold outside of the United States, group life insurance**. Any company making such insurance shall comply with the provisions of section 379.400 and the regulations promulgated pursuant thereto, and

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.

6 shall have, in addition to any other capital requirements for such company, a fully paid capital
7 and surplus equal to the amount required in section 379.010. Involuntary unemployment
8 insurance may be written on either an individual or a group basis, but in no event may group
9 involuntary insurance coverage be offered to residents of a state other than Missouri unless the
10 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.

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

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

28 (1) The director grants prior approval;

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

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

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

34 (b) One hundred percent of its capital and surplus less ten percent of its admitted assets.

35 4. Under this section, an insurer shall not acquire or engage in an investment practice
36 prohibited under section 376.294 or **acquire or engage in** an investment that is a derivative
37 transaction.

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