

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By

1 AMEND House Committee Substitute for Senate Substitute for Senate Bill No. 262, Pages 10  
2 through 11, Section 376.405, Lines 1 through 41, by deleting all of said section and lines and  
3 inserting in lieu thereof the following:

4 "376.405. 1. No insurance company licensed to transact business in this state shall deliver or  
5 issue for delivery in this state any policy of group accident or group health insurance, or group  
6 accident and health insurance, including insurance against hospital, medical or surgical expenses,  
7 covering a group in this state, unless such policy form shall have been approved by the director of  
8 the department of insurance, financial institutions and professional registration of the state of  
9 Missouri.

10 2. The director [of the department of insurance, financial institutions and professional  
11 registration] shall have authority to make such reasonable rules and regulations concerning the filing  
12 and submission of such policy forms as are necessary, proper or advisable. Such rules and  
13 regulations shall provide, among other things, that if a policy form is disapproved, the final reasons  
14 [therefor] for noncompliance shall be stated in writing within forty-five days from the date of filing;  
15 that a hearing shall be granted upon such disapproval, if so requested; and that the failure of the  
16 director [of the department of insurance, financial institutions and professional registration] to take  
17 action approving or disapproving a submitted policy form within [a stipulated time, not to exceed  
18 sixty] forty-five days from the date of filing, shall be deemed an approval thereof [until such time as  
19 the director of the department of insurance, financial institutions and professional registration shall  
20 notify the submitting company, in writing, of his disapproval thereof]. The rules shall further provide  
21 that within fourteen days of submission of the policy form, the director shall make a preliminary  
22 review to determine if additional information must be required from the insurer, and if such  
23 information is required, the director shall notify the insurer of the request. Neither a request for  
24 information, nor a failure by an insurer to produce the requested information, shall delay the time  
25 requirements for review under this section, unless the insurer consents to an extension of time. Any  
26 untimely request for information made by the director shall be considered as conclusive grounds for  
27 approval of the policy form, unless the director is able to prove by clear and convincing evidence  
28 that the use of the policy form is likely to injure consumers. Within thirty days of submission of the  
29 policy form, unless the insurer consents to an extension of time, the director shall complete a  
30 secondary review and notify the insurer in writing of any provisions in the policy form that are not in  
31 compliance with state law. The failure of the director to notify the insurer of the specific statute or  
32 regulation allegedly violated by the policy form within this thirty day period shall be considered as  
33 conclusive grounds for approval of the policy form. During the forty-five day period following the  
34 submission of the policy form, the director shall confer with the insurer and make a good faith effort  
35 to resolve any contested provisions. If the director and the insurer are unable to resolve the issues,  
36 the director shall finalize the review of such form within forty-five days of the submission of the  
37 policy form and if the policy form is disapproved, finalize the determination, give written notice to

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1 the insurer of the specific provisions in the policy form that are not in compliance with specified  
2 state law or regulation, and provide notice of the opportunity for hearing.

3 3. At any time following the forty-five day review period when a policy form is approved or  
4 deemed approved, if the director subsequently determines that any words, phraseology, condition or  
5 provision of the policy form do not comply with state law, the director shall notify the insurer of the  
6 specific noncompliant provision and the specific state law, and request that the insurer file an  
7 amendment form that modifies the provision to conform to state law. The failure of the director to  
8 approve or file a petition for disapproval of a submitted amendment form within forty-five days from  
9 the date of filing shall be deemed an approval thereof. If a policy form is approved or deemed  
10 approved and is then amended for state law compliance within one hundred and eighty days of the  
11 director's request herein, the previously approved words, phraseology, conditions and provisions  
12 shall not serve as the basis for any investigation, examination, action taken, relief sought or penalty  
13 assessed by the director for conduct prior to the amendment.

14 4. The director [of the department of insurance, financial institutions and professional  
15 registration] shall approve only those policy forms which are in compliance with the insurance laws  
16 of this state and which contain such words, phraseology, conditions and provisions which are  
17 specific, certain and unambiguous and reasonably adequate to meet needed requirements for the  
18 protection of those insured. The disapproval of any policy form shall be based upon the requirements  
19 of the laws of this state or of any regulation lawfully promulgated thereunder.

20 5. If any other previously approved policy form of the insurer contains the same words,  
21 phraseology, conditions and provisions as those in the policy form before the director and  
22 undergoing an amendment at the director's request under subsection 3, the insurer shall have one  
23 year from the date of the amendment approval to file similar amendments for the other policy forms  
24 in due course, and the previously approved words, phraseology, conditions and provisions, unless  
25 proven to be fraudulent or in violation of a newly enacted statute, shall not serve as the basis for any  
26 investigation, examination, action taken, relief sought or penalty assessed by the director during the  
27 implementation period of no less than one year following the approval of the first amendment.

28 6. The director [of the department of insurance, financial institutions and professional  
29 registration] may, by order or bulletin, exempt from the approval requirements of this section for so  
30 long as he deems proper any insurance policy, document, or form or type thereof, as specified in  
31 such order or bulletin, to which, in his opinion, this section may not practicably be applied, or the  
32 approval of which is, in his opinion, not desirable or necessary for the protection of the public.";  
33

34 Further amend said bill by amending the title, enacting clause, and intersectional references  
35 accordingly.