

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 606
97TH GENERAL ASSEMBLY

4575H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 379.901, RSMo, and to enact in lieu thereof one new section relating to prepaid legal service plans.

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

Section A. Section 379.901, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 379.901, to read as follows:

379.901. 1. As used in this section the term "prepaid legal service plan", means any person, company, corporation, partnership or other legal entity who collects periodic fees on a prepaid basis from residents of this state in connection with legal coverage other than:

(a) Retainer contracts made by attorneys-at-law with an individual client with fees based on estimates of the nature and amount of legal services to be provided to that specific client and similar contracts made with a group of clients involved in the same or closely related legal matters;

(b) Any lawyer aid or other legal services program for the indigent;

(c) Any employer-employee welfare benefit plans to the extent that state laws are superseded by the Employee Retirement Income Security Act of 1974, 29 U.S.C., s. 1144, or any amendments thereto, provided evidence of exemption from state law is shown to the department;

(d) The furnishing of legal assistance by labor unions and other employee organizations to their members in matters relating to employment or occupations;

(e) The furnishing of legal assistance to members or their dependents by churches, cooperatives, educational institutions, credit unions, labor unions or other organizations of employees, where such organizations contract with and pay directly a lawyer or law firm for the provision of legal services, where the assistance is provided as an incident to membership 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.

18 not on the basis of an optional fee or charge and the administration of such program of legal
19 assistance is wholly conducted by the organization;

20 (f) Legal services provided by an agency of the federal or state government or a
21 subdivision thereof to its employees.

22 2. Any person who solicits memberships on behalf of a prepaid legal services plan shall
23 [be licensed as an insurance agent as provided by chapter 375] **disclose to the consumer in**
24 **writing that a prepaid legal services plan is not an insurance product and is not regulated**
25 **by the department of insurance, financial institutions and professional registration.**

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