

HCS SB 794 -- INSURANCE REGULATION

SPONSOR: Chappelle-Nadal (Smith)

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Financial Institutions by a vote of 12 to 1.

This bill changes the laws regarding insurance regulation. In its main provisions, the bill:

IRREVOCABLE LIFE INSURANCE TRUSTS

Currently, a Missouri bank or trust company is authorized to transfer fiduciary obligations consisting only of irrevocable life insurance trusts to the Missouri trust office of an out-of state bank with trust powers or an out-of-state trust company. The bill allows a bank or trust company created under the laws of this or any other state or national bank with authorized trust authority to transfer those obligations to any bank or trust company with authorized trust authority.

LIFE INSURANCE PRODUCERS

The bill exempts certain life insurance producers dealing exclusively in life insurance policies and annuities for funeral or burial insurance with less than \$15,000 in face value from continuing education requirements.

INSURANCE COMPANY SECURITIES INVESTMENTS

The amount that an insurance company can invest specified securities of one or more subsidiaries is increased from not more than 5% to not more than 10% of the insurer's assets or 50% of the insurer's surplus.

PROPONENTS: Supporters say that the bill will bring more business into Missouri by allowing national banks to do bulk transfers of irrevocable life insurance trusts. Currently, they have to do them one at a time.

Testifying for the bill were Senator Chappelle-Nadal; Missouri Bankers Association; and Merritt Mammoth, Citadel Trust Advisors.

OPPONENTS: There was no opposition voiced to the committee.