

SECOND REGULAR SESSION

# HOUSE BILL NO. 1961

## 96TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES MAY (Sponsor), CARTER, OXFORD, McGEOGHEGAN,  
WALTON GRAY, PIERSON, ELLINGTON, ELLINGER, SMITH (71), SPRENG, KIRKTON, NICHOLS,  
TAYLOR, NEWMAN, McCANN BEATTY, McNEIL, BLACK, BROWN (50), LAMPE,  
STILL AND KRATKY (Co-sponsors).

6014L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To amend chapter 375, RSMo, by adding thereto one new section relating to use of zip codes for underwriting by insurance companies.

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

Section A. Chapter 375, RSMo, is amended by adding thereto one new section, to be  
2 known as section 375.917, to read as follows:

**375.917. 1. As used in this section, the following terms mean:**

2 **(1) "Adverse action", a denial, nonrenewal of, or a reduction in the amount of**  
3 **benefits payable or types of coverages under any contract, existing or applied for, in**  
4 **connection with the underwriting of insurance. An offer by an insurer to write a contract**  
5 **through an affiliated insurer does not constitute an adverse action. Adverse action includes**  
6 **but is not limited to:**

7 **(a) Cancellation, denial, or nonrenewal of personal insurance coverage;**  
8 **(b) Charging a higher insurance premium for personal insurance than would have**  
9 **been offered if the consumer's zip code had been more favorable, whether the charge is by**  
10 **application of a rating rule, assignment to a rating tier that does not have the lowest**  
11 **available rates, or placement with an affiliate company that does not offer the lowest rates**  
12 **available to the consumer within the affiliate group of insurance companies; or**

13 **(c) Any reduction, adverse, or unfavorable change in the terms of coverage or**  
14 **amount of any personal insurance due to a consumer's zip code. A reduction, adverse, or**  
15 **unfavorable change in the terms of coverage occurs when either the coverage provided to**

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.

16 the consumer is not as broad in scope as coverage requested by the consumer but is  
17 available to other insureds of the insurer or any affiliate, or the consumer is not eligible for  
18 benefits such as dividends that are available through affiliated insurers;

19 (2) "Contract", any insurance policy issued in this state;

20 (3) "Zip code", a trademark used for a system designed to expedite the sorting and  
21 delivery of mail by assigning a series of numbers to each delivery area in the United States.

22 2. An insurer using a consumer's zip code as a factor in underwriting shall not take  
23 an adverse action based on such factor without consideration of another underwriting  
24 factor not related to the consumer's zip code.

25 3. If the use of a zip code on a contract results in an adverse action, the insurer shall  
26 provide the policyholder or applicant notice that the policyholder's or applicant's zip code  
27 adversely affected the underwriting of the contract.

28 4. The provisions of this section shall apply to all contracts entered into on or after  
29 January 1, 2013.

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