

FIRST REGULAR SESSION

HOUSE BILL NO. 516

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WHITE.

1343H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 379.140, RSMo, and to enact in lieu thereof two new sections relating to property insurance.

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

Section A. Section 379.140, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 379.140 and 379.828, to read as follows:

379.140. In all suits brought upon policies of insurance against loss or damage by fire **or wind** hereafter issued or renewed, the defendant shall not be permitted to deny that the property insured thereby was worth at the time of the issuing of the policy the full amount insured therein on said property; and in case of total loss of the property insured, the measure of damage shall be the amount for which the same was insured, less whatever depreciation in value, below the amount for which the property is insured, the property may have sustained between the time of issuing the policy and the time of the loss, and the burden of proving such depreciation shall be upon the defendant; and in case of partial loss, the measure of damage shall be that portion of the value of the whole property insured, ascertained in the manner prescribed in this chapter, which the part injured or destroyed bears to the whole property insured.

379.828. 1. As used in this section, the term “earthquake loss” means direct physical loss to a building or property caused by earthquake or land shock waves or tremors. One or more earthquakes or land shock waves or tremors that occur within a seventy-two-hour period shall constitute a single earthquake loss. The term shall not include direct resulting loss if caused by a fire, flood, explosion, or theft.

2. Beginning January 1, 2016, the plan shall issue policies exclusively for earthquake loss on habitational property owned by the applicant in accordance with this

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.

8 section to supplement the applicant's primary coverage for loss on such property issued
9 by the plan or issued by an insurer authorized to do business in this state.

10 3. Coverage shall be only for habitational structures and shall not cover driveways
11 or nonhabitational detached structures. Contents coverage shall apply only if there is a
12 covered earthquake loss on the habitational structure in which the contents were located.

13 4. Earthquake coverage under this section shall not include loss for the value of
14 land, breakage of glass, or exterior masonry veneer.

15 5. Earthquake coverage under this section shall include a single deductible
16 applicable to a single earthquake loss. The deductible shall not exceed ten percent of the
17 limit of liability applicable to the insured dwelling.

18 6. The plan shall establish a discount program to incentivize mitigation of
19 earthquake hazards. Such discount program and any modifications thereto shall be
20 subject to the approval of the director.

21 7. The provisions of sections 379.810 to 379.880 shall apply to policies issued under
22 this section; however, the plan may establish specific procedures designed to expedite
23 approval for policies covering earthquake loss and premiums charged therefor shall be
24 based only on the risk for earthquake loss applicable to such property. The plan may
25 establish specific claims investigation procedures for earthquake losses necessary to
26 determine whether any claimed loss was the result of earthquake activity rather than due
27 to some other form of earth movement.

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