

FIRST REGULAR SESSION

# HOUSE BILL NO. 573

## 99TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE MCGAUGH.

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D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To amend chapter 537, RSMo, by adding thereto one new section relating to time-limited offers to settle tort claims.

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

Section A. Chapter 537, RSMo, is amended by adding thereto one new section, to be  
2 known as section 537.058, to read as follows:

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

2 **(1) "Extra-contractual damages", any amount of damage that exceeds the total**  
3 **available limit of liability for all of a liability insurer's liability insurance policies**  
4 **applicable to a claim for personal injury, bodily injury, or wrongful death;**

5 **(2) "Time-limited demand", any offer to settle any claim for personal injury, bodily**  
6 **injury, or wrongful death made by or on behalf of a claimant to the alleged tortfeasor's**  
7 **liability insurer for purposes of settling a claim against such tortfeasor within such**  
8 **tortfeasor's available limit of liability insurance, which by its terms shall be accepted**  
9 **within a specified period of time.**

10 **2. A time-limited demand to settle any claim for personal injury, bodily injury, or**  
11 **wrongful death shall be in writing, shall reference this section, shall be sent certified mail,**  
12 **return receipt requested, to the tortfeasor's liability insurer, and shall contain the following**  
13 **material terms:**

14 **(1) The time period within which a time-limited demand shall be accepted, which**  
15 **shall not be less than ninety days from the date such demand is received by the liability**  
16 **insurer;**

17 **(2) The amount of monetary payment requested;**

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           **(3) The date and location of the loss;**  
19           **(4) The claim number, if known;**  
20           **(5) A description of all the injuries sustained by the claimant;**  
21           **(6) Any reasonably available documentation supporting the claim including, but**  
22 **not limited to, the allegation of injuries, damages, and liability;**  
23           **(7) The party or parties to be released if such time-limited demand is accepted;**  
24           **(8) A description of claims to be released; and**  
25           **(9) An unconditional release from all future liability under section 537.060, or an**  
26 **unconditional contract to limit recovery under section 537.065.**
- 27           **3. Such time-limited demand shall be accompanied by:**
- 28           **(1) A list of the names and addresses of medical care providers who provided**  
29 **treatment to or evaluation of the claimant or decedent for injuries suffered from the date**  
30 **of injury until the date of the time-limited demand, and HIPPA compliant written**  
31 **authorizations sufficient to allow the liability insurer to obtain records from the medical**  
32 **care providers listed; and**
- 33           **(2) A list of the names and addresses of all the claimant's employers at the time the**  
34 **claimant was first injured until the date of the time-limited demand for loss of wages or**  
35 **earnings, damages suffered, and written authorizations sufficient to allow the liability**  
36 **insurer to obtain records from all employers listed;**
- 37           **4. The liability insurer receiving a time-limited demand may accept such demand**  
38 **by providing written acceptance of the material terms outlined in subsection 2 of this**  
39 **section, delivered or postmarked to the claimant or the claimant's representative within**  
40 **sixty days after the liability insurer's receipt of the time-limited demand.**
- 41           **5. Upon receipt of a time-limited demand, the liability insurer shall have the right**  
42 **to request and obtain clarification regarding the proposed terms of the time-limited**  
43 **demand including, but not limited to, the following:**
- 44           **(1) Any release or contract to limit recovery;**  
45           **(2) Any liens applicable to the claim;**  
46           **(3) Any rights of subrogation related to the claim;**  
47           **(4) Any standing to release the claim;**  
48           **(5) Any information regarding the available liability limits of any insurance policy**  
49 **applicable to the claim; or**
- 50           **(6) Any other information presented in support of the claim.**
- 51
- 52 **Any attempt to seek reasonable clarification of the terms of a time-limited demand shall**  
53 **not be deemed a counteroffer or rejection of the time-limited demand.**

54           **6. Nothing in this section shall prohibit a claimant making a time-limited demand**  
55 **from requiring payment within a specified period; provided, however, that such period for**  
56 **payment shall not be less than ten days after the written acceptance of the time-limited**  
57 **demand.**

58           **7. Nothing in this section applies to offers or demands or time-limited demands**  
59 **within thirty days of the trial on that matter.**

60           **8. Any time-limited demand that does not strictly comply with the terms of this**  
61 **section shall not be admissible in any lawsuit alleging extra-contractual damages against**  
62 **the liability carrier for any tortfeasor alleged to have caused personal injury, bodily injury,**  
63 **or wrongful death.**

64           **9. Nothing in this section shall preclude any claimant or claimant's representative**  
65 **from issuing any offer to settle, demand for payment, or offer for a contract to limit**  
66 **recovery in any other form, but no such offer to settle, demand for payment, or offer for**  
67 **contract to limit recovery shall be admissible in any lawsuit alleging extra-contractual**  
68 **damages against the liability carrier for any tortfeasor alleged to have caused personal**  
69 **injury, bodily injury, or wrongful death.**

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