

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 741
99TH GENERAL ASSEMBLY

1589H.03C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 379, RSMo, by adding thereto two new sections relating to insurance markets for commercial insurance.

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

Section A. Chapter 379, RSMo, is amended by adding thereto two new sections, to be known as sections 379.386 and 379.387, to read as follows:

379.386. 1. Subject to the provisions of this subsection and subsection 2 of this section, the following insurance coverages shall be exempt from filing requirements with respect to rates and policy forms, where applicable under this chapter, whether the insurance coverage is endorsed to or otherwise made part of another kind of insurance policy or sold as a stand-alone policy:

- (1) Aircraft liability and hull insurance;**
- (2) Surety and fidelity;**
- (3) Ocean marine;**
- (4) Boiler and machinery;**
- (5) Environmental impairment/pollution liability;**
- (6) Kidnap and ransom;**
- (7) Political risk or expropriation;**
- (8) Excess and umbrella liability;**
- (9) Directors' and officers' liability;**
- (10) Fiduciary liability;**
- (11) Employment practices liability;**
- (12) Errors and omissions and professional liability, other than medical malpractice;**

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.

- 19 **(13) Media liability;**
20 **(14) Commercial lines travel risks, including accidental death and dismemberment;**
21 **(15) Product liability, product recall, or completed operations when sold in a stand-**
22 **alone policy;**
23 **(16) Cybersecurity, including first and third party commercial lines coverage for**
24 **losses arising out of or relating to data privacy breaches, network security, computer**
25 **viruses, and similar exposures;**
26 **(17) Highly protected commercial property;**
27 **(18) Commercial flood insurance, other than National Flood Insurance Program;**
28 **(19) All commercial lines insurance coverages not excluded under subsection 2 of**
29 **this section if purchased by a commercial policyholder with aggregate commercial**
30 **insurance premiums of fifty thousand dollars or more, excluding premiums for the types**
31 **of insurance excluded under subsection 2 of this section; and**
32 **(20) Any other commercial lines insurance coverage or risk that the director shall,**
33 **pursuant to regulation, exempt from rate and policy form filing requirements in order to**
34 **promote enhanced competition or to more effectively use the resources of the department**
35 **that might otherwise be used to review commercial lines filings.**
- 36 **2. The provisions of subsection 1 of this section shall not apply to the following**
37 **kinds of commercial insurance:**
- 38 **(1) Workers' compensation;**
39 **(2) Medical malpractice liability insurance;**
40 **(3) Nonfleet commercial automobile liability policies covering four or fewer**
41 **vehicles; and**
42 **(4) Any coverage issued by an assigned risk or residual market plan under section**
43 **303.200.**
- 44 **3. The director may temporarily reinstate, for a period of no longer than one year,**
45 **the requirement for rate or form filings under subsection 6 of section 379.321 for a specific**
46 **insurance coverage specified under subsection 1 of this section if, after a hearing, the**
47 **director makes a finding that either a reasonable degree of competition does not exist for**
48 **a specified type of insurance coverage or there has been a pattern of noncompliance by**
49 **insurers with respect to the laws or regulations governing policy forms or rates used in the**
50 **state for a specified type of insurance coverage. Such a finding of fact by the director shall**
51 **specify the relevant tests used to determine whether a lack of reasonable degree of**
52 **competition exists and the results thereof. In the absence of such specific findings by the**
53 **director, a competitive market is presumed to exist.**

54 **4. The exemption of policy forms and rates from the filing requirements of section**
55 **379.321 shall not affect other laws or regulations adopted by the director governing the**
56 **content of policy forms or the fairness of rates.**

57 **5. All policies exempt from filing pursuant to this act shall include, at the time of**
58 **policy issuance, a notice advising the policyholder that the policy may include forms or**
59 **rates exempt from filing with the department. Such notice shall be in a common format**
60 **specified by the director.**

379.387. Section 379.386 and this section shall apply to all property and casualty
2 **insurance policies issued or renewed on or after January 1, 2018.**

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