

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

1 AMEND House Bill No. 1619, Page 18, Section 375.246, Line 589, by inserting after all of said line  
2 the following:

3  
4 "379.402. 1. A producer or insurer, by or through its employees, affiliates, or authorized  
5 third parties, may offer or provide products or services in conjunction with a policy of property and  
6 casualty insurance for free, at a discount, or at market value, if such products or services are  
7 intended to:

8 (1) Prevent or mitigate loss to persons or property;

9 (2) Provide loss control;

10 (3) Reduce rates or claims;

11 (4) Educate about risk of loss to persons or property;

12 (5) Monitor or assess risk, identify sources of risk, or develop strategies for eliminating or  
13 reducing risks; or

14 (6) Provide post-loss services.

15 2. A producer or insurer may offer or provide gifts, goods, or merchandise that contain  
16 advertising or promotion of the producer or insurer to policyholders, prospective policyholders, or  
17 members of the public.

18 3. A product or service offered or provided as described under subsection 1 or 2 of this  
19 section shall not be considered an inducement to insurance, a rebate, or any other impermissible  
20 consideration as those terms are used in section 379.356 and subdivision (9) of section 375.936.  
21 The offer or provision of products or services described in subsection 1 or 2 of this section shall not  
22 be required in the contract or policy form filings.

23 4. The director may promulgate rules to exempt, but not restrict, additional categories of  
24 products or services under this section with regard to the provisions of section 379.356 and  
25 subdivision (9) of section 375.936 that prohibit insurers, employees of an insurer, affiliates,  
26 insurance producers, or other third parties from giving rebates, discounts, gifts, or other valuable  
27 consideration as an inducement to insurance. Any rule or portion of a rule, as that term is defined in  
28 section 536.010, that is created under the authority delegated in this section shall become effective  
29 only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable,  
30 section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested  
31 with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to  
32 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking  
33 authority and any rule proposed or adopted after August 28, 2020, shall be invalid and void.

34 379.404. The provisions of section 379.356 and subdivision (9) of section 375.936 that  
35 prohibit a producer or insurer from giving rebates, discounts, gifts, or other valuable consideration  
36 as an inducement to insurance shall not apply to commercial property and casualty insurance. The

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1 exclusion provided under this section shall not apply to producer commission reductions not  
2 included in insurance company rate filings.

3 379.1800. 1. Except as provided in subsection 2 of this section, no policy of group personal  
4 lines property and casualty insurance shall be issued or delivered in this state unless it conforms to  
5 one of the following descriptions:

6 (1) A policy issued to an employer, or to the trustees of a fund established by an employer,  
7 which employer or trustees shall be deemed the policyholder, to insure employees of the employer  
8 for the benefit of persons other than the employer, subject to the following requirements:

9 (a) The employees eligible for insurance under the policy shall be all of the employees of  
10 the employer, or all of any class or classes thereof. The policy may provide that the term  
11 "employees" shall include the employees of one or more subsidiary corporations and the employees,  
12 individual proprietors, and partners of one or more affiliated corporations, proprietorships or  
13 partnerships under common control. The policy may provide that the term employees shall include  
14 the individual proprietor or partners if the employer is an individual proprietorship or partnership.  
15 The policy may provide that the term "employees" shall include directors of a corporate employer  
16 and retired employees. A policy issued to insure the employees of a public body may provide that  
17 the term "employees" shall include elected or appointed officials;

18 (b) The premium for the policy shall be paid either from the employer's funds, from funds  
19 contributed by the insured employees, or from both. A policy on which no part of the premium is to  
20 be derived from funds contributed by the insured employees shall insure all eligible employees,  
21 except those who reject such coverage in writing;

22 (2) A policy issued to a labor union or similar employee organization, which shall be  
23 deemed to be the policyholder, to insure members of the union or organization for the benefit of  
24 persons other than the union or organization or any of its officials, representatives, or agents, subject  
25 to the following requirements:

26 (a) The members eligible for insurance under the policy shall be all of the members of the  
27 union or organization, or all of any class or classes thereof;

28 (b) The premium for the policy shall be paid either from the funds of the union or  
29 organization, from funds contributed by the insured members specifically for their insurance, or  
30 from both. A policy on which no part of the premium is to be derived from funds contributed by the  
31 insured members specifically for their insurance shall insure all eligible members, except those who  
32 reject such coverage in writing;

33 (3) A policy issued to a trust, or to the trustees of a fund, established or adopted by two or  
34 more employers, or by one or more labor unions or similar employee organizations, or by one or  
35 more employers and one or more labor unions or similar employee organizations, which trust or  
36 trustees shall be deemed the policyholder, to insure employees of the employers or members of the  
37 unions or organizations for the benefit of persons other than the employers or the unions or  
38 organizations, subject to the following requirements:

39 (a) The persons eligible for insurance shall be all of the employees of the employers, all of  
40 the members of the unions or organizations, or all of any class or classes thereof. The policy may  
41 provide that the term "employees" shall include the employees of one or more subsidiary  
42 corporations and the employees, individual proprietors, and partners of one or more affiliated  
43 corporations, proprietorships, or partnerships is under common control. The policy may provide  
44 that the term "employees" shall include the individual proprietor or partners if the employer is an  
45 individual proprietorship or partnership. The policy may provide that the term "employees" shall  
46 include directors of a corporate employer and retired employees. The policy may provide that the  
47 term "employees" shall include the trustees or their employees, or both, if their duties are principally  
48 connected with such trusteeship;

49 (b) The premium for the policy shall be paid from funds contributed by the employer or

1 employers of the insured persons, by the union or unions or similar employee organizations, or by  
2 both, or from funds contributed by the insured persons or from both the insured persons and the  
3 employers or unions or similar employee organizations. A policy on which no part of the premium  
4 is to be derived from funds contributed by the insured persons specifically for their insurance shall  
5 insure all eligible persons, except those who reject such coverage in writing;

6 (4) A policy issued to an association or to a trust or to the trustees of a fund established,  
7 created, or maintained for the benefit of members of one or more associations. The association or  
8 associations shall have at the outset a minimum of one hundred persons, shall have been organized  
9 and maintained in good faith for purposes other than that of obtaining insurance, shall have been in  
10 active existence for at least one year, and shall have a constitution and bylaws which providing that  
11 the association or associations hold regular meetings no less than annually to further purposes of the  
12 members, that the association or associations collect dues or solicit contributions from members,  
13 and that the members have voting privileges and representation on the governing board and  
14 committees. The policy shall be subject to the following requirements:

15 (a) The policy may insure members of the association or associations, employees thereof or  
16 employees of members, or one or more of the preceding or all of any class or classes thereof for the  
17 benefit of persons other than the employees' employer;

18 (b) The premium for the policy shall be paid from funds contributed by the association or  
19 associations, by employer members, or by both, or from funds contributed by the insured persons or  
20 from both the insured persons and the association, associations, or employer members. A policy on  
21 which no part of the premium is to be derived from funds contributed by the insured persons  
22 specifically for their insurance shall insure all eligible persons, except those who reject such  
23 coverage in writing;

24 (c) If compensation of any kind will or may be paid to the policyholder in connection with  
25 the group policy, the insurer shall cause to be distributed to prospective insureds a written notice that  
26 compensation will or may be paid. Such notice shall be distributed whether such compensation is  
27 direct or indirect, and whether such compensation is paid to or retained by the policyholder, or paid  
28 to or retained by a third party at the direction of the policyholder or any entity affiliated with the  
29 policyholder by ownership, contract, or employment. The notice required by this subsection shall  
30 be placed on or accompany any document designed for the enrollment of prospective insureds;

31 (5) The definition of an eligible employee or member may include the spouse of the eligible  
32 employee or member;

33 2. Group personal lines property and casualty insurance offered to a resident of this state  
34 under a group personal lines property and casualty insurance policy issued or delivered to a group  
35 other than one described in subsection 1 of this section shall be subject to the following  
36 requirements:

37 (1) No such group personal lines property and casualty insurance policy shall be issued or  
38 delivered in this state unless the director finds that:

39 (a) The issuance of the group policy is not contrary to the best interest of the public;

40 (b) The issuance of the group policy would result in economies of acquisition or  
41 administration; and

42 (c) The benefits are reasonable in relation to the premiums charged;

43 (2) A group personal lines property and casualty insurance coverage shall not be offered in  
44 this state by an insurer under a policy issued or delivered in another state unless this state or another  
45 state having requirements substantially similar to those contained in subdivision (1) of subsection 2  
46 of this section has made a determination that the requirements have been met;

47 (3) The premium for a group personal lines property and casualty policy shall be paid either  
48 from the policyholder's funds, from funds contributed by the covered persons, or from both;

49 (4) If compensation of any kind will or may be paid to the policyholder in connection with

1 the group policy, the insurer shall cause to be distributed to prospective insureds a written notice that  
2 compensation will or may be paid. Notice shall be distributed whether compensation is direct or  
3 indirect, and whether such compensation is paid to or retained by the policyholder or paid to or  
4 retained by a third party at the direction of the policyholder or any entity affiliated with the  
5 policyholder by ownership, contract, or employment. The notice required by this subdivision shall  
6 be placed on or accompany any document designed for the enrollment of prospective insureds."; and  
7

8 Further amend said bill by amending the title, enacting clause, and intersectional references  
9 accordingly.