

HOUSE BILL NO. 1634

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE PORTER.

4192H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 379, RSMo, by adding thereto two new sections relating to inducements to 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 379.402 and 379.404, to read as follows:

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

- (1) Prevent or mitigate loss to persons or property;**
- (2) Provide loss control;**
- (3) Reduce rates or claims;**
- (4) Educate about risk of loss to persons or property;**
- (5) Monitor or assess risk, identify sources of risk, or develop strategies for eliminating or reducing risks; or**
- (6) Provide post-loss services.**

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

3. A product or service offered or provided as described under subsection 1 or 2 of this section shall not be considered an inducement to insurance, a rebate, or any other impermissible consideration as those terms are used in section 379.356 and subdivision (9)

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 of section 375.936. The offer or provision of products or services described in subsection
19 1 or 2 of this section shall not be required in the contract or policy form filings.

20 4. The director may promulgate rules to exempt, but not restrict, additional
21 categories of products or services under this section with regard to the provisions of section
22 379.356 and subdivision (9) of section 375.936 that prohibit insurers, employees of an
23 insurer, affiliates, insurance producers, or other third parties from giving rebates,
24 discounts, gifts, or other valuable consideration as an inducement to insurance. Any rule
25 or portion of a rule, as that term is defined in section 536.010, that is created under the
26 authority delegated in this section shall become effective only if it complies with and is
27 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This
28 section and chapter 536 are nonseverable, and if any of the powers vested with the general
29 assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove
30 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
31 authority and any rule proposed or adopted after August 28, 2020, shall be invalid and
32 void.

379.404. The provisions of section 379.356 and subdivision (9) of section 375.936
2 that prohibit a producer or insurer from giving rebates, discounts, gifts, or other valuable
3 consideration as an inducement to insurance shall not apply to commercial property and
4 casualty insurance. The exclusion provided under this section shall not apply to producer
5 commission reductions not included in insurance company rate filings.

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