

SECOND REGULAR SESSION

SENATE BILL NO. 900

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SIFTON.

Read 1st time January 16, 2020, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4975S.011

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) of section 375.936. The offer or provision of products or services described in

22 subsection 1 or 2 of this section shall not be required in the contract or
23 policy form filings.

24 4. The director may promulgate rules to exempt, but not restrict,
25 additional categories of products or services under this section with
26 regard to the provisions of section 379.356 and subdivision (9) of
27 section 375.936 that prohibit insurers, employees of an insurer,
28 affiliates, insurance producers, or other third parties from giving
29 rebates, discounts, gifts, or other valuable consideration as an
30 inducement to insurance. Any rule or portion of a rule, as that term is
31 defined in section 536.010, that is created under the authority delegated
32 in this section shall become effective only if it complies with and is
33 subject to all of the provisions of chapter 536 and, if applicable, section
34 536.028. This section and chapter 536 are nonseverable, and if any of
35 the powers vested with the general assembly pursuant to chapter 536
36 to review, to delay the effective date, or to disapprove and annul a rule
37 are subsequently held unconstitutional, then the grant of rulemaking
38 authority and any rule proposed or adopted after August 28, 2020, shall
39 be invalid and void.

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

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