

FIRST REGULAR SESSION

# SENATE BILL NO. 282

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR PARSON.

Read 1st time January 20, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

1377S.011

## AN ACT

To repeal sections 379.118 and 379.120, RSMo, and to enact in lieu thereof two new sections relating to insurance notice proof of mailing.

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

Section A. Sections 379.118 and 379.120, RSMo, are repealed and two new  
2 sections enacted in lieu thereof, to be known as sections 379.118 and 379.120, to  
3 read as follows:

379.118. 1. If any insurer proposes to cancel or to refuse to renew a policy  
2 of automobile insurance delivered or issued for delivery in this state except at the  
3 request of the named insured or for nonpayment of premium, it shall, on or before  
4 thirty days prior to the proposed effective date of the action, send written notice  
5 by certificate of mailing of its intended action to the named insured at his last  
6 known address. **Notice shall be sent by United States postal service  
7 certified mail, certificate of mailing, first class mail using intelligent  
8 mail barcode (IMb), or another mail tracking method used, approved,  
9 or accepted by the United States postal service.** Where cancellation is for  
10 nonpayment of premium at least ten days' notice of cancellation shall be given  
11 and such notice shall contain the following notice or substantially similar in bold  
12 conspicuous type: "THIS POLICY IS CANCELLED EFFECTIVE AT THE DATE  
13 AND TIME INDICATED IN THIS NOTICE. THIS IS THE FINAL NOTICE OF  
14 CANCELLATION WE WILL SEND PRIOR TO THE EFFECTIVE DATE AND  
15 TIME OF CANCELLATION INDICATED IN THIS NOTICE.". The notice shall  
16 state:

- 17 (1) The action taken;
- 18 (2) The effective date of the action;

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

19 (3) The insurer's actual reason for taking such action, the statement of  
20 reason to be sufficiently clear and specific so that a person of average intelligence  
21 can identify the basis for the insurer's decision without further  
22 inquiry. Generalized terms such as "personal habits", "living conditions", "poor  
23 morals", or "violation or accident record" shall not suffice to meet the  
24 requirements of this subdivision;

25 (4) That the insured may be eligible for insurance through the assigned  
26 risk plan if his insurance is to be cancelled.

27 2. Issuance of a notice of cancellation under subsection 1 of this section  
28 constitutes a present and unequivocal act of cancellation of the policy.

29 3. An insurer may reinstate a policy cancelled under subsection 1 of this  
30 section at any time after the notice of cancellation is issued if the reason for the  
31 cancellation is remedied. An insurer may send communications to the insured,  
32 including but not limited to billing notices for past due premium, offers to  
33 reinstate the policy if past due premium is paid, notices confirming cancellation  
34 of the policy, or billing notices for payment of earned but unpaid premium. The  
35 fact that a policy may be so reinstated or any such communication may be made  
36 does not invalidate or void any cancellation effectuated under subsection 1 of this  
37 section or defeat the present and unequivocal nature of acts of cancellation as  
38 described under subsection 2 of this section.

39 4. An insurer shall send an insured written notice of an automobile policy  
40 renewal at least fifteen days prior to the effective date of the new policy. The  
41 notice shall be sent by first class mail or may be sent electronically if requested  
42 by the policyholder, and shall contain the insured's name, the vehicle covered, the  
43 total premium amount, and the effective date of the new policy. Any request for  
44 electronic delivery of renewal notices shall be designated on the application form  
45 signed by the applicant, made in writing by the policyholder, or made in  
46 accordance with sections 432.200 to 432.295. The insurer shall comply with any  
47 subsequent request by a policyholder to rescind authorization for electronic  
48 delivery and to elect to receive renewal notices by first class mail. Any delivery  
49 of a renewal notice by electronic means shall not constitute notice of cancellation  
50 of a policy even if such notice is included with the renewal notice.

379.120. If any insurer refuses to write a policy of automobile insurance,  
2 it shall, within thirty days after such refusal, send a written explanation of such  
3 refusal to the applicant at his last known address [by certified mail or certificate  
4 of mailing ]. **Notice shall be sent by United States postal service**

5 **certified mail, certificate of mailing, first class mail using intelligent**  
6 **mail barcode (IMb), or another mail tracking method used, approved,**  
7 **or accepted by the United States postal service.** The explanation shall  
8 state:

9 (1) The insurer's actual reason for refusing to write the policy, the  
10 statement of reason to be sufficiently clear and specific so that a person of  
11 average intelligence can identify the basis for the insurer's decision without  
12 further inquiry. Generalized terms such as "personal habits", "living conditions",  
13 "poor morals", or "violation or accident record" shall not suffice to meet the  
14 requirements of this subdivision;

15 (2) That the applicant may be eligible for insurance through the assigned  
16 risk plan if other insurance is not available.

✓

Bill

Copy