

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 2270**  
**99TH GENERAL ASSEMBLY**

5992H.02C

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal sections 105.1073, 303.020, 303.030, 303.120, 303.190, 303.240, 379.110, and 379.118, RSMo, and to enact in lieu thereof nine new sections relating to motor vehicle insurance, with a delayed effective date.

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

Section A. Sections 105.1073, 303.020, 303.030, 303.120, 303.190, 303.240, 379.110, and 379.118, RSMo, are repealed and nine new sections enacted in lieu thereof, to be known as sections 105.1073, 303.020, 303.022, 303.030, 303.120, 303.190, 303.240, 379.110, and 379.118, to read as follows:

105.1073. Motor vehicle, aircraft, or marine liability insurance acquired pursuant to sections 105.1070 to 105.1079 shall provide coverage for state employees, members of the Missouri National Guard, or agents while operating state-controlled motor vehicles, aircraft, or marine vessels on state business in the course of their employment, military duties, or within the scope of their agency, subject to the following minimum amounts exclusive of interest and costs:

(1) Not less than twenty-five thousand dollars because of bodily injury to, or the death of, one person in any one accident;

(2) Subject to the limit in subdivision (1), not less than fifty thousand dollars because of bodily injury to, or death of, two or more persons in any one accident; and

(3) Not less than ~~ten~~ **twenty-five** thousand dollars because of injury to, or destruction of, property of others in any one accident.

303.020. As used in this chapter the following words and phrases shall mean:

(1) "Chauffeur", a person who is employed for the principal purpose of operating a motor vehicle or any person who drives a motor vehicle while in use as a public or common carrier of persons or property for hire;

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.

5 (2) "Director", director of revenue of the state of Missouri, acting directly or through his  
6 authorized officers and agents;

7 (3) "Judgment", a final judgment by a court of competent jurisdiction of any state or of  
8 the United States, upon a claim for relief for damages, including damages for care and loss of  
9 services, because of bodily injury to or death of any person, or for damages because of injury to  
10 or destruction of property, including the loss of use thereof, or upon a claim for relief on any  
11 agreement or settlement for such damages arising out of the ownership, maintenance or use of  
12 any motor vehicle;

13 (4) "License", an operator's or driver's license, temporary instruction permit, chauffeur's  
14 or registered operator's license issued under the laws of this state;

15 (5) "Motor vehicle", a self-propelled vehicle which is designed for use upon a highway,  
16 except trailers designed for use with such vehicles, traction engines, road rollers, farm tractors,  
17 tractor cranes, power shovels, well drillers and motorized bicycles, as defined in section 307.180,  
18 and every vehicle which is propelled by electric power obtained from overhead wires but not  
19 operated upon rails;

20 (6) "Nonresident", a person not a resident of the state of Missouri;

21 (7) "Nonresident's operating privilege", the privilege conferred upon a nonresident by  
22 the laws of this state pertaining to the operation by him of a motor vehicle, or the use of a motor  
23 vehicle owned by him in this state;

24 (8) "Operator", a person who is in actual physical control of a motor vehicle;

25 (9) "Owner", a person who holds the legal title to a motor vehicle; or in the event a motor  
26 vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of  
27 purchase upon performance of the conditions stated in the agreement and with an immediate  
28 right of possession vested in the conditional vendee or lessee, or in the event a mortgagor of a  
29 motor vehicle is entitled to possession thereof, then such conditional vendee or lessee or  
30 mortgagor;

31 (10) "Proof of financial responsibility", proof of ability to respond in damages for  
32 liability, on account of accidents occurring subsequent to the effective date of said proof, arising  
33 out of the ownership, maintenance or use of a motor vehicle, in the amount of twenty-five  
34 thousand dollars because of bodily injury to or death of one person in any one accident, and,  
35 subject to said limit for one person, in the amount of fifty thousand dollars because of bodily  
36 injury to or death of two or more persons in any one accident, and in the amount of ~~ten~~ **twenty-**  
37 **five** thousand dollars because of injury to or destruction of property of others in any one accident;

38 (11) "Registration", registration certificate or certificates and registration plates issued  
39 under the laws of this state pertaining to the registration of motor vehicles;

40 (12) "State", any state, territory or possession of the United States, the District of  
41 Columbia, or any province of the Dominion of Canada;

42 (13) "Street" or "highway", the entire width between property lines of every way or place  
43 of whatever nature when any part thereof is open to the use of the public, as a matter of right, for  
44 purposes of vehicular traffic.

**303.022. Sections 105.1073, 303.020, 303.030, 303.120, 303.190, and 303.240 shall  
2 apply to motor vehicle liability policies, as defined in section 303.190, that are issued or  
3 renewed in Missouri on or after July 1, 2019, and to any applicable filing under section  
4 303.240 or subdivisions (2), (3), or (4) of subsection 1 of section 303.160 that goes into effect  
5 on or after July 1, 2019. A motor vehicle liability policy in effect prior to July 1, 2019, shall  
6 continue to constitute proof of compliance with the provisions of this chapter for the  
7 remainder of the term of that policy.**

303.030. 1. If within twenty days after the receipt of a report of a motor vehicle accident  
2 within this state which has resulted in bodily injury or death, or damage to the property of any  
3 one person in excess of five hundred dollars, the director does not have on file evidence  
4 satisfactory to him that the person who would otherwise be required to file security under  
5 subsection 2 of this section has been released from liability, or has been finally adjudicated not  
6 to be liable, or has executed a duly acknowledged written agreement providing for the payment  
7 of an agreed amount in installments with respect to all claims for injuries or damages resulting  
8 from the accident, the director shall determine the amount of security which shall be sufficient  
9 in his judgment to satisfy any judgment for damages resulting from such accident as may be  
10 recovered against each operator or owner. Any person challenging the director's determination  
11 shall have the burden of proving he or she was not at fault.

12 2. The director shall, within ninety days after the receipt of such report of a motor vehicle  
13 accident, suspend the license of each operator, and all registrations of each owner of a motor  
14 vehicle, in any manner involved in such accident, and if such operator is a nonresident the  
15 privilege of operating a motor vehicle within this state, and if such owner is a nonresident the  
16 privilege of the use within this state of any motor vehicle owned by him, unless such operator  
17 or owner or both shall deposit security in the sum so determined by the director; provided notice  
18 of such suspension shall be sent by the director to such operator and owner not less than ten days  
19 prior to the effective date of such suspension and shall state the amount required as security;  
20 provided, however, that the period of suspension provided for in this section shall be in addition  
21 to any period of suspension imposed under sections 303.041 and 303.042.

22 3. Where erroneous information is given the director with respect to the matters set forth  
23 in subdivision (1), (2) or (3) of subsection 4 of this section, he shall take appropriate action as

24 hereinbefore provided, within forty-five days after receipt by him of correct information with  
25 respect to said matters.

26 4. This section shall not apply under the conditions stated in section 303.070, nor:

27 (1) To such operator or owner if such owner had in effect at the time of such accident  
28 an automobile liability policy with respect to the motor vehicle involved in such accident;

29 (2) To such operator, if not the owner of such motor vehicle, if there was in effect at the  
30 time of such accident an automobile liability policy or bond with respect to his operation of  
31 motor vehicles not owned by him;

32 (3) To such operator or owner if the liability of such operator or owner for damages  
33 resulting from such accident is, in the judgment of the director, covered by any other form of  
34 liability insurance policy or bond; nor

35 (4) To any person qualifying as a self-insurer under section 303.220, nor to any person  
36 operating a motor vehicle for such self-insurer.

37 5. No such policy or bond shall be effective under this section unless issued by an  
38 insurance company or surety company authorized to do business in this state, except that if such  
39 motor vehicle was not registered in this state, or was a motor vehicle which was registered  
40 elsewhere than in this state at the effective date of the policy or bond, or the most recent renewal  
41 thereof, such policy or bond shall not be effective under this section unless the insurance  
42 company or surety company, if not authorized to do business in this state, shall execute a power  
43 of attorney authorizing the director to accept service on its behalf of notice or process in any  
44 action upon such policy or bond arising out of such accident; provided, however, every such  
45 policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit,  
46 exclusive of interest and costs, of not less than twenty-five thousand dollars because of bodily  
47 injury to or death of one person in any one accident and, subject to said limit for one person, to  
48 a limit of not less than fifty thousand dollars because of bodily injury to or death of two or more  
49 persons in any one accident, and, if the accident has resulted in injury to or destruction of  
50 property, to a limit of not less than ~~ten~~ **twenty-five** thousand dollars because of injury to or  
51 destruction of property of others in any one accident.

303.120. 1. Judgments herein referred to shall, for the purpose of this chapter only, be  
2 deemed satisfied:

3 (1) When twenty-five thousand dollars has been credited upon any judgment or  
4 judgments rendered in excess of that amount because of bodily injury to or death of one person  
5 as the result of any one accident; or

6 (2) When, subject to such limit of twenty-five thousand dollars because of bodily injury  
7 to or death of one person, the sum of fifty thousand dollars has been credited upon any judgment

8 or judgments rendered in excess of that amount because of bodily injury to or death of two or  
9 more persons as the result of any one accident; or

10 (3) When [~~ten~~] **twenty-five** thousand dollars has been credited upon any judgment or  
11 judgments rendered in excess of that amount because of injury to or destruction of property of  
12 others as a result of any one accident.

13 2. Payments made in settlement of any claims because of bodily injury, death or property  
14 damage arising from a motor vehicle accident shall be credited in reduction of the amounts  
15 provided for in this section.

303.190. 1. A "motor vehicle liability policy" as said term is used in this chapter shall  
2 mean an owner's or an operator's policy of liability insurance, certified as provided in section  
3 303.170 or section 303.180 as proof of financial responsibility, and issued, except as otherwise  
4 provided in section 303.180 by an insurance carrier duly authorized to transact business in this  
5 state, to or for the benefit of the person named therein as insured.

6 2. Such owner's policy of liability insurance:

7 (1) Shall designate by explicit description or by appropriate reference all motor vehicles  
8 with respect to which coverage is thereby to be granted;

9 (2) Shall insure the person named therein and any other person, as insured, using any  
10 such motor vehicle or motor vehicles with the express or implied permission of such named  
11 insured, against loss from the liability imposed by law for damages arising out of the ownership,  
12 maintenance or use of such motor vehicle or motor vehicles within the United States of America  
13 or the Dominion of Canada, subject to limits, exclusive of interest and costs, with respect to each  
14 such motor vehicle, as follows: twenty-five thousand dollars because of bodily injury to or death  
15 of one person in any one accident and, subject to said limit for one person, fifty thousand dollars  
16 because of bodily injury to or death of two or more persons in any one accident, and [~~ten~~]  
17 **twenty-five** thousand dollars because of injury to or destruction of property of others in any one  
18 accident; and

19 (3) May exclude coverage against loss from liability imposed by law for damages arising  
20 out of the use of such motor vehicles by a member of the named insured's household who is a  
21 specifically excluded driver in the policy.

22 3. Such operator's policy of liability insurance shall insure the person named as insured  
23 therein against loss from the liability imposed upon him or her by law for damages arising out  
24 of the use by him or her of any motor vehicle not owned by him or her, within the said territorial  
25 limits and subject to the same limits of liability as are set forth above with respect to any owner's  
26 policy of liability insurance.

27 4. Such motor vehicle liability policy shall state the name and address of the named  
28 insured, the coverage afforded by the policy, the premium charged therefor, the policy period and

29 the limits of liability, and shall contain an agreement or be endorsed that insurance is provided  
30 thereunder in accordance with the coverage defined in this chapter as respects bodily injury and  
31 death or property damage, or both, and is subject to all the provisions of this chapter.

32 5. Such motor vehicle liability policy need not insure any liability pursuant to any  
33 workers' compensation law nor any liability on account of bodily injury to or death of an  
34 employee of the insured while engaged in the employment, other than domestic, of the insured,  
35 or while engaged in the operation, maintenance or repair of any such motor vehicle nor any  
36 liability for damage to property owned by, rented to, in charge of or transported by the insured.

37 6. Every motor vehicle liability policy shall be subject to the following provisions which  
38 need not be contained therein:

39 (1) The liability of the insurance carrier with respect to the insurance required by this  
40 chapter shall become absolute whenever injury or damage covered by said motor vehicle liability  
41 policy occurs; said policy may not be cancelled or annulled as to such liability by any agreement  
42 between the insurance carrier and the insured after the occurrence of the injury or damage; no  
43 statement made by the insured or on his or her behalf and no violation of said policy shall defeat  
44 or void said policy;

45 (2) The satisfaction by the insured of a judgment for such injury or damage shall not be  
46 a condition precedent to the right or duty of the insurance carrier to make payment on account  
47 of such injury or damage;

48 (3) The insurance carrier shall have the right to settle any claim covered by the policy,  
49 and if such settlement is made in good faith, the amount thereof shall be deductible from the  
50 limits of liability specified in subdivision (2) of subsection 2 of this section;

51 (4) The policy, the written application thereof, if any, and any rider or endorsement  
52 which does not conflict with the provisions of this chapter shall constitute the entire contract  
53 between the parties.

54 7. Any policy which grants the coverage required for a motor vehicle liability policy may  
55 also grant any lawful coverage in excess of or in addition to the coverage specified for a motor  
56 vehicle liability policy and such excess or additional coverage shall not be subject to the  
57 provisions of this chapter. With respect to a policy which grants such excess or additional  
58 coverage the term "motor vehicle liability policy" shall apply only to that part of the coverage  
59 which is required by this section.

60 8. Any motor vehicle liability policy may provide that the insured shall reimburse the  
61 insurance carrier for any payment the insurance carrier would not have been obligated to make  
62 under the terms of the policy except for the provisions of this chapter.

63 9. Any motor vehicle liability policy may provide for the prorating of the insurance  
64 thereunder with other valid and collectible insurance.

65 10. The requirements of a motor vehicle liability policy may be fulfilled by the policies  
66 of one or more insurance carriers which policies together meet such requirements.

67 11. Any binder issued pending the issuance of a motor vehicle liability policy shall be  
68 deemed to fulfill the requirement for such a policy.

303.240. 1. Proof of financial responsibility may be evidenced by the certificate of the  
2 state treasurer that the person named therein has deposited with him [~~sixty~~] **seventy-five**  
3 thousand dollars in cash, or securities such as may legally be purchased by savings banks or for  
4 trust funds of a market value of [~~sixty~~] **seventy-five** thousand dollars. The state treasurer shall  
5 not accept any such deposit and issue a certificate therefor and the director shall not accept such  
6 certificate unless accompanied by evidence that there are no unsatisfied judgments of any  
7 character against the depositor in the county where the depositor resides.

8 2. Such deposit shall be held by the state treasurer to satisfy, in accordance with the  
9 provisions of this chapter, any execution on a judgment issued against such person making the  
10 deposit, for damages, including damages for care and loss of services because of bodily injury  
11 to or death of any person, or for damages because of injury to or destruction of property,  
12 including the loss of use thereof, resulting from the ownership, maintenance, use or operation  
13 of a motor vehicle after such deposit was made. Money or securities so deposited shall not be  
14 subject to attachment or execution unless such attachment or execution shall arise out of a suit  
15 for damages as aforesaid.

379.110. As used in sections 379.110 to 379.120 the following words and terms mean:

2 (1) "Insurer", any insurance company, association or exchange authorized to issue  
3 policies of automobile insurance in the state of Missouri;

4 (2) "Nonpayment of premium", failure of the named insured to discharge when due any  
5 of his or her obligations in connection with the payment of premiums on a policy, or any  
6 installment of such premium, whether the premium is payable directly to the insurer or its agent  
7 or indirectly under any premium finance plan or extension of credit;

8 (3) "Policy", an automobile policy providing automobile liability coverage, uninsured  
9 motorists coverage, automobile medical payments coverage, or automobile physical damage  
10 coverage insuring a private passenger automobile owned by an individual or partnership which  
11 has been in effect for more than sixty days or has been renewed. "Policy" does not mean:

12 (a) Any policy issued under an automobile assigned risk plan or automobile insurance  
13 plan;

14 (b) Any policy insuring more than four motor vehicles;

15 (c) Any policy covering the operation of a garage, automobile sales agency, repair shop,  
16 service station or public parking place;

17 (d) Any policy providing insurance only on an excess basis, or to any contract principally  
18 providing insurance to such named insured with respect to other than automobile hazards or  
19 losses even though such contract may incidentally provide insurance with respect to such motor  
20 vehicles;

21 (4) **"Reduction in coverage", a change made at renewal by the insurer to a policy form**  
22 **which is effective to all insureds with that policy form, which results in a removal of coverage,**  
23 **diminution in scope, less coverage, or the addition of an exclusion. Reduction in coverage**  
24 **does not include any change, reduction, or elimination of coverage made at the request of**  
25 **the insured. The correction of typographical or scrivener's errors or the application of**  
26 **mandated legislative changes is not a reduction in coverage. A reduction in coverage**  
27 **mandated by the insurer which does not apply to all insureds with the same policy form**  
28 **shall be treated as a nonrenewal;**

29 (5) "Renewal" or "to renew", the issuance and delivery by an insurer of a policy  
30 superseding at the end of the policy period a policy previously issued and delivered by the same  
31 insurer~~[, such renewal policy to provide types and limits of coverage at least equal to those~~  
32 ~~contained in the policy being superseded,]~~ or the issuance and delivery of a certificate or notice  
33 extending the term of a policy beyond its policy period or term ~~[with types and limits of coverage~~  
34 ~~at least equal to those contained in the policy being extended]~~; provided, however, that any  
35 policy with a policy period or term of less than six months or any period with no fixed expiration  
36 date shall for the purpose of this section be considered as if written for successive policy periods  
37 or terms of six months. Nothing in this subdivision shall be construed as superseding the  
38 provisions of subsection 9 of section 375.918, and the term "third anniversary date of the initial  
39 contract" as used in subsection 9 of section 375.918, means three years after the date of the initial  
40 contract.

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



12 EFFECTIVE DATE AND TIME OF CANCELLATION INDICATED IN THIS NOTICE.”. The  
13 notice shall state:

14 (1) The action taken;

15 (2) The effective date of the action;

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

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

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

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

33 4. **(1)** An insurer shall send an insured written notice of an automobile policy renewal  
34 at least fifteen days prior to the effective date of the new policy. The notice shall be sent by first  
35 class mail or may be sent electronically if requested by the policyholder, and shall contain the  
36 insured’s name, the vehicle covered, the total premium amount, and the effective date of the new  
37 policy. Any request for electronic delivery of renewal notices shall be designated on the  
38 application form signed by the applicant, made in writing by the policyholder, or made in  
39 accordance with sections 432.200 to 432.295. The insurer shall comply with any subsequent  
40 request by a policyholder to rescind authorization for electronic delivery and to elect to receive  
41 renewal notices by first class mail. Any delivery of a renewal notice by electronic means shall  
42 not constitute notice of cancellation of a policy even if such notice is included with the renewal  
43 notice.

44 **(2) An insurer shall provide written notice of a reduction in coverage to the named**  
45 **insured no fewer than fifteen days prior to the effective date of the proposed reduction in**  
46 **coverage or shall send such notice of reduction in coverage with the written notice of**  
47 **renewal described in subdivision (1) of this subsection. Written notice of a reduction in**

48 **coverage may be satisfied by providing the named insured a copy of or access to the updated policy**  
49 **form or the policy form language that will be changed. The notice shall be sent by first class**  
50 **mail or may be sent electronically if agreed to or requested by the policyholder.**

51 5. An insurer shall be exempt from the requirements of this section regarding notice of  
52 nonrenewal if:

53 (1) The insurer assigns or transfers the insured's policy to an affiliate or subsidiary  
54 within the same insurance holding company system;

55 (2) The assignment or transfer is effective upon the expiration of the existing policy; and

56 (3) Prior to providing coverage for a subsequent policy term, an insurer accepting an  
57 assignment or transfer of the policy shall provide notice of such assignment or transfer to the  
58 named insured.

59

60 However, if the assignment or transfer of a policy does not result in coverage substantially  
61 equivalent to the coverage that was contained in the policy being assigned or transferred, the  
62 insurer shall, in lieu of providing the notice in subdivision (3) of this subsection, at least fifteen  
63 days in advance of the effective date of the assignment or transfer, notify the policyholder that  
64 some coverage provisions will change due to the assignment or transfer, advise the policyholder  
65 to refer to the new policy for coverage details, and provide a copy of or access to the replacement  
66 policy form or the executed replacement policy.

Section B. The repeal and reenactment of sections 105.1073, 303.020, 303.030, 303.120,  
2 303.190, and 303.240 and the enactment of section 303.022 of this act shall become effective  
3 July 1, 2019.

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