

FIRST REGULAR SESSION

[PERFECTED]

# HOUSE BILL NO. 391

## 98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE GOSEN.

0981H.01P

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal sections 379.118 and 379.120, RSMo, and to enact in lieu thereof two new sections relating to automobile insurance notice requirements.

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Section A. Sections 379.118 and 379.120, RSMo, are repealed and two new sections  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

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 [by certificate of mailing] of its intended action to the  
5 named insured at his last known address. **Notice shall be sent by United States Postal Service  
6 certificate of mailing, first class mail using Intelligent Mail barcode (IMb), or another mail  
7 tracking method used, approved, or accepted by the United States Postal Service.** Where  
8 cancellation is for nonpayment of premium at least ten days' notice of cancellation shall be given  
9 and such notice shall contain the following notice or substantially similar in bold conspicuous  
10 type: "THIS POLICY IS CANCELLED EFFECTIVE AT THE DATE AND TIME  
11 INDICATED IN THIS NOTICE. THIS IS THE FINAL NOTICE OF CANCELLATION WE  
12 WILL SEND PRIOR TO THE EFFECTIVE DATE AND TIME OF CANCELLATION  
13 INDICATED IN THIS NOTICE.". The notice shall state:

- 14 (1) The action taken;  
15 (2) The effective date of the action;

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.

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. An insurer shall send an insured written notice of an automobile policy renewal at  
34 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.

379.120. If any insurer refuses to write a policy of automobile insurance, it shall, within  
2 thirty days after such refusal, send a written explanation of such refusal to the applicant at his last  
3 known address [by certified mail or certificate of mailing]. **Notice shall be sent by United**  
4 **States Postal Service certified mail, certificate of mailing, first class mail using Intelligent**  
5 **Mail barcode (IMb), or another mail tracking method used, approved, or accepted by the**  
6 **United States Postal Service.** The explanation shall state:

7 (1) The insurer's actual reason for refusing to write the policy, the statement of reason  
8 to be sufficiently clear and specific so that a person of average intelligence can identify the basis

9 for the insurer's decision without further inquiry. Generalized terms such as "personal habits",  
10 "living conditions", "poor morals", or "violation or accident record" shall not suffice to meet the  
11 requirements of this subdivision;

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

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