GOVERNOR OF MISSOURI

JEFFERSON CITY
65102

JEREMIAH W. (JAY) NIXON
GOVERNOR

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July 10, 2015

TO THE SECRETARY OF THE STATE OF THE STATE OF MISSOURI

Herewith I return to you House Bill No. 1022 entitled:

AN ACT

To repeal section 379.470, RSMo, and to enact in lieu thereof one new section relating to authorized return of premiums paid by insureds.

I disapprove of House Bill No. 1022. My reasons for disapproval are as follows:

House Bill No. 1022 is an effort to tilt the scales against Missouri consumers by providing insurance companies legal cover to not disclose the details of their premium refund programs. House Bill No. 1022 represents a step backwards for Missouri consumers and cannot receive my approval.

House Bill No. 1022 would exempt insurance refund or rebate programs from the protections afforded consumers under Missouri's Unfair Trade Practice Act. Currently, under the Unfair Trade Practice Act, a return of premium program must be "specified in the contract" to avoid illegal rebating. Section 375.936(9)(a), RSMo. If House Bill No. 1022 were to become law, an insurance company would no longer be required to include the refund program's terms and conditions in its customer's policy – and in fact, incredulously, the law would impose no requirement on an insurance company to provide notice of program details to its insureds.

An insured should be required to look no further than their insurance policy to find the details of their coverage, exclusions, and other relevant content including the particulars of a return of premium program. This is not an area to be left to guesswork. Full disclosure is essential and details matter. Missouri law must demand that insurance companies inform consumers in plain, clear and understandable terms the rules and parameters of all aspects of their policies. Instead, House Bill No. 1022 journeys in the opposite direction, benefits insurance companies, harms consumers and cannot become law.

Missourians deserve fairness and transparency in their laws and in the terms of their insurance policies. House Bill No. 1022 fails on both counts and does not receive my approval.

In accordance with the above stated reasons for disapproval, I am returning House Bill No. 1022 without my approval.

Respectfully submitted,

Jeremiah W. (Jay) Nixon
Governor