

SENATE BILL NO. 487

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR WILLIAMS.

1649S.011

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 379, RSMo, by adding thereto two new sections relating to property 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 379.1590 and 379.1595, to read as follows:

379.1590. 1. This section shall be known as the "Water Accountability and Insurance Transparency Act" or "WAIT Act".

2. As used in this section, the following terms shall mean:

(1) "Flood insurance", insurance coverage written under the National Flood Insurance Program or a similar program, or any coverage against losses caused by an excess of water on land that is normally dry, affecting two or more acres of land or two or more properties;

(2) "Plumbing failure insurance", insurance coverage against losses caused by water resulting from damage to plumbing systems, fixtures, or appliances internal to the structure being covered. Such term shall not include coverage for damage to plumbing systems, fixtures, or appliances caused by deferred maintenance;

(3) "Sewer backup insurance", insurance coverage against losses caused by sewage, whether alone or in combination with other water sources, entering a structure,

20 and damage to the sewer line that connects the insured
21 structure to the main sewer;

22 (4) "Water coverage", flood insurance, plumbing
23 failure insurance, and sewer backup insurance, and such
24 other similar coverage as the director may designate.

25 3. Any insurance policy sold in this state providing
26 coverage for losses to real or personal property, other than
27 automobile insurance, shall include on any summary or
28 declarations page the types of water coverage being offered,
29 and any coverage limits or deductibles related thereto.
30 Exclusions related to water coverage shall be listed clearly
31 and in separate paragraphs in the policy documents provided
32 to the insured.

33 4. All insurers writing insurance that covers losses
34 to real or personal property shall provide prospective
35 insureds with information related to flood insurance,
36 regardless of whether the location being insured is located
37 in a recognized flood zone. Except as otherwise prohibited
38 by law, the insurer shall also provide information related
39 to flooding events known to have occurred in the zip code of
40 the insured location within the last ten years.

41 5. If an insurance policy includes coverage of water
42 damage and a claim is made that may include multiple sources
43 and types of water damage, the insurer that wrote the policy
44 shall within five business days of the claim being made
45 notify the insured of the potential for subrogation against
46 other insurers or programs, and the potential limits of any
47 such insurance or program. The insured may then assign
48 their claims to additional recovery to the insurer and
49 receive the full amount due under the insured's policy, and
50 the full amount estimated to be available from the insurance
51 or program potentially subject to subrogation. If the

52 insured chooses not to assign his or her claims to the
53 insurer, the insured may pursue any remedy available to
54 reconcile and dispose of all claims related to the water
55 damage event.

56 6. If an area serviced by a single water or sewer
57 utility experiences multiple flooding or sewer backup events
58 within a period of ten calendar days, there shall be a
59 rebuttable presumption that failure of infrastructure in the
60 control of the utility is responsible if:

- 61 (1) No improvements to the impacted utility
62 infrastructure have been made in the last twenty years;
63 (2) The utility is aware of issues with the impacted
64 infrastructure, including, but not limited to, complaints
65 from residents in the area or internal reports recommending
66 repair or replacement of the infrastructure;
67 (3) The water causing the damage contains raw sewage;
68 or
69 (4) The water causing the damage can be shown to be
70 coming from the sanitary or storm sewer.

71 7. A utility in control of infrastructure responsible
72 for water damage shall compensate landowners and utility
73 customers for the actual cost of repair or replacement of
74 any structure or structural element damaged as a result of
75 the water damage event.

379.1595. 1. As used in this section, the following
2 terms shall mean:

- 3 (1) "Landlord's insurance", insurance coverage against
4 loss of real property that is being used as a residential
5 rental. Such term shall include coverage of individual
6 dwelling units or coverage of the entirety of the real
7 property, provided that the coverage is payable to the owner
8 of the real property being used as a residential rental;

9 (2) "Renter's insurance", insurance coverage against
10 loss of personal property stored at a specific location that
11 is being used as a residential rental. Such term shall mean
12 coverage that benefits the tenant of the specified location,
13 and not the landowner or owner of the real property attached
14 to the specified location.

15 2. No insurer authorized to write insurance in this
16 state or insurance producer licensed under chapter 375 shall
17 describe any insurance policy as renter's insurance unless
18 it meets the definition of renter's insurance specified in
19 this section. Landlord's insurance shall not be described
20 as renter's insurance by the insurer, insurance producer,
21 the owner of said real property, or any agent thereof.

22 3. Landlord's insurance may be sold in accordance with
23 chapter 375 through a rental management company responsible
24 for the location. The rental management company or landlord
25 shall also provide information about rental insurance to the
26 tenant or prospective tenant and make clear that the two
27 policies provide different coverages and that the landlord's
28 insurance does not provide any benefit to the tenant.

29 4. Renter's insurance may be sold in accordance with
30 chapter 375 through the rental management company
31 responsible for the location, but any such policy shall meet
32 the definition of renter's insurance in this section and
33 shall be offered at a rate that is reasonable when compared
34 with similar policies available to the tenant.

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