

FIRST REGULAR SESSION

[TRULY AGREED TO AND FINALLY PASSED]

# SENATE BILL NO. 28

90TH GENERAL ASSEMBLY

1999

L0088.01T

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## AN ACT

To repeal sections 537.620 and 537.635, RSMo 1994, relating to certain insurance for political subdivisions, and to enact in lieu thereof two new sections relating to the same subject.

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

Section A. Sections 537.620 and 537.635, RSMo 1994, are repealed and two new sections enacted in lieu thereof, to be known as sections 537.620 and 537.635, to read as follows:

537.620. Notwithstanding any direct or implied prohibitions in chapter 375, RSMo, 377, RSMo, or 379, RSMo, any three or more political subdivisions of this state may form a business entity for the purpose of providing liability and all other insurance, **including insurance for elderly or low-income housing in which the political subdivision has an insurable interest**, for any of the subdivisions upon the assessment plan as provided in sections 537.600 to 537.650. Any political subdivision may join this entity and use public funds to pay any necessary assessments.

537.635. The association may, on the seventh day thereafter, commence to do business. The association shall be a body corporate, and shall do business as a corporation. No member of the association shall be liable for any amounts because of his **or her** membership in the association other than his **or her** assessments as provided in the articles of association and the bylaws of the association. The business of the association shall be conducted so as to preclude any distribution of income, profit or property of the association to the individual members thereof except in payment of claims or indemnities or upon the final dissolution of the association, **but the association may pay dividends to its members as long as the association has a positive surplus both before and after any such dividend is declared.**

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