



State of Missouri

John Ashcraft, Governor

Department of Economic Development

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TO: ALL COMPANIES WRITING PRIVATE PASSENGER AUTO AND HOMEOWNERS

FROM: CHARLES RENN, DEPUTY DIRECTOR-COMPANY REGULATION *CR*

RE: PREJUDGMENT INTEREST

DATE: JUNE 26, 1989

BULLETIN 89-08

Recently the Division of Insurance requested the Insurance Services Office to amend the Missouri Amendatory Endorsements by adding pre-judgment interest to the Supplementary Payments Section of the auto policy and the Additional Coverages Section of the homeowners policy. ISO has complied by filing such a revision effective June 1, 1989, for private passenger automobile and July 1, 1989, for homeowners.

We are, therefore, requesting that all companies writing private passenger automobile and homeowners adopt this revision as soon as possible. If your company develops its own forms, please revise them immediately and file them with our Property and Casualty Section.

Coverage of pre-judgment interest is essential in light of Section 408.040(2) RSMo Supp 1988, which states that pre-judgment interest shall be calculated from the date sixty days after a demand for payment of a claim or an offer of settlement of a claim has been made. Exclusion of coverage of pre-judgment interest could allow insurers to delay settlement of claims at the expense of the insured.

Should you have any questions, or need further information, please feel free to contact the Property and Casualty Section at 314/751-3365.