

MISSOURI PROPERTY AND GUARANTY
ASSOCIATION ACT ENDORSEMENT

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MISSOURI
1st Edition

Your policy exceeds the limitations of coverage under the Missouri Property and Guaranty Association Act which obligates the Missouri Guaranty Association to pay covered claims for any insurer who becomes insolvent. Section 375.779.2 of the Missouri Insurance Statutes requires us to advise you of the coverages provided by this Act.

If an insurer becomes insolvent and an insured has a covered claim against the insolvent insurer the following provisions apply:

The Association is obligated to pay the covered claims of an insolvent insurer which exist prior to the date of entry of a decree, judgment or determination by a court of competent jurisdiction in the insurer's domiciliary state that the insurer is insolvent. This obligation includes those claims which arise either within thirty days from the date of the first court decree, judgment or determination, or before the policy expiration date if less than 30 days after the court decree, judgment or determination. It also applies at the time an insured cancels or replaces the policy if the insured does so within 30 days of the court decree, judgment or determination.

A covered claim is an unpaid claim, including claims for unearned premiums, presented within the time specified in accordance with subsection 1 of section 375.670 or the Missouri Insurance Statutes. It includes a claim which arises out of and is within the coverage of an insurance policy issued by a member insurer of the Association if that insurer becomes an insolvent insurer after September 28, 1971.

A covered claim does not include (a) any amount due any reinsurer, insurer, insurance pool or Underwriting Association as subrogation recoveries or (b) a claim by or against an insured of an insolvent insurer if such insured has a net worth of more than twenty-five million dollars on the date the insurer became an insolvent insurer.

Any person who brings action against a negligent insured of an insolvent insurer has no right of recovery against the policy limits of an insured covered by the insolvent insurers policy.

The Association is obligated to pay only those claims which are in excess of \$100 but less than \$300,000.

In no event is the Association obligated to an insured or claimant for more than the limits of insurance shown on the Declarations of the insured's policy.

In no event is the Association obligated for the payment of unearned premium in excess of \$10,000.

The Association is not obligated for payment of a claim until it receives confirmation from the receiver or liquidator of an insolvent insurer that the claim is covered by an applicable policy of the insolvent insurer. However, the Association has the right and sole discretion to deem a claim a covered claim if it has sufficient evidence from other sources that the claim is a covered claim. In such a case, the Association will proceed to process the claim without coverage confirmation from the receiver or liquidator.

In the case of claims for bodily injury, sickness or disease, the amount of any payment will not exceed the claimant's reasonable expenses incurred for necessary medical, surgical, x-ray, and dental services or comparable services for individuals who rely on spiritual means alone for healing in accordance with the tenets and practices of a duly accredited practitioner. Reasonable medical expenses includes prosthetic devices and necessary ambulance, hospital, professional nursing expenses and loss of wages. However, the Association will pay the full amount of any covered claim arising out of a workers' compensation policy.

All covered claims must be filed with the Association no later than the final date first set by the court for the filing of claims against the liquidator or receiver of an insolvent insurer. If the time first set by the court for filing claims is 1 year or less from the date of insolvency and an extension of the time to file claims is granted by the court, claims must be filed no later than the new date set by the court or within 1 year of the date of insolvency, whichever occurs first.

Recovery Rights. Any person who has a claim against his insurer under any provision in his insurance policy which is also a covered claim will first be required to exhaust his right under such policy. Any amount payable will be reduced by the amount of such recovery under the claimant's insurance policy.

Any person who has a claim covered under more than one Insurance Guaranty Association or its equivalent will first seek recovery from the insured's residence Association. However, if the claim is a first party claim for damage to property with a permanent location, the Association of the location of the property is primary. If a claim is a workers' compensation claim, the Association of the residence of the claimants is primary.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.