

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill involves township mutual insurance companies and the areas in which they can provide property insurance coverage. Township mutuals are insurance companies owned by their policyholders. They have traditionally provided coverage in predominantly rural areas. The bill involves cities of the second class, which have between 20,000 and 100,000 population.

#### Section

- 1 What may not be insured; property outside the designated territory; exceptions.** Permits township mutuals to provide property insurance coverage in all or a portion of a city of the second class that was within the company's authorized territory before that area became all or part of a city of the second class. (Current law permits this only if the township mutual was actually selling coverage in the area at that time.)

In the new paragraph (e), permits a township mutual to do business in a city of the second class that adjoins its authorized area, if the commissioner of commerce approves that, unless otherwise limited by paragraph (b) above or by other laws in the township mutuals' chapter of statutes.