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SALUS POPULI SUPREMA LEX ESTO

“The welfare of the people shall be the supreme law.”



JOHN R. ASHCROFT
SECRETARY OF STATE

MISSOURI
REGISTER

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Documents will be accepted for filing on all regular workdays from 8:00 a.m. until 5:00 p.m. We encourage early filings to facilitate the timely publication of the *Missouri Register*. Orders of Rulemaking appearing in the *Missouri Register* will be published in the *Code of State Regulations* and become effective as listed in the chart above. Advance notice of large volume filings will facilitate their timely publication. We reserve the right to change the schedule due to special circumstances. Please check the latest publication to verify that no changes have been made in this schedule. To review the entire year's schedule, please check out the website at www.sos.mo.gov/adrules/pubsched.

HOW TO CITE RULES AND RSMO

RULES

The rules are codified in the *Code of State Regulations* in this system–

Title		Division	Chapter	Rule
3	CSR	10-	4	.115
Department	<i>Code of State Regulations</i>	Agency Division	General area regulated	Specific area regulated

and should be cited in this manner: 3 CSR 10-4.115.

Each department of state government is assigned a title. Each agency or division in the department is assigned a division number. The agency then groups its rules into general subject matter areas called chapters and specific areas called rules. Within a rule, the first breakdown is called a section and is designated as (1). Subsection is (A) with further breakdown into paragraphs 1., subparagraphs A., parts (I), subparts (a), items I. and subitems a.

The rule is properly cited by using the full citation, for example, 3 CSR 10-4.115 NOT Rule 10-4.115.

Citations of RSMo are to the *Missouri Revised Statutes* as of the date indicated.

Code and Register on the Internet

The *Code of State Regulations* and *Missouri Register* are available on the Internet.

The *Code* address is www.sos.mo.gov/adrules/csr/csr

The *Register* address is www.sos.mo.gov/adrules/moreg/moreg

These websites contain rulemakings and regulations as they appear in the *Code* and *Registers*.

Rules appearing under this heading are filed under the authority granted by section 536.025, RSMo 2016. An emergency rule may be adopted by an agency if the agency finds that an immediate danger to the public health, safety, or welfare, or a compelling governmental interest requires emergency action; follows procedures best calculated to assure fairness to all interested persons and parties under the circumstances; follows procedures which comply with the protections extended by the *Missouri* and the *United States Constitutions*; limits the scope of such rule to the circumstances creating an emergency and requiring emergency procedure, and at the time of or prior to the adoption of such rule files with the secretary of state the text of the rule together with the specific facts, reasons, and findings which support its conclusion that there is an immediate danger to the public health, safety, or welfare which can be met only through the adoption of such rule and its reasons for concluding that the procedure employed is fair to all interested persons and parties under the circumstances.

Rules filed as emergency rules may be effective not less than ten (10) days after filing or at such later date as may be specified in the rule and may be terminated at any time by the state agency by filing an order with the secretary of state fixing the date of such termination, which order shall be published by the secretary of state in the *Missouri Register* as soon as practicable.

All emergency rules must state the period during which they are in effect, and in no case can they be in effect more than one hundred eighty (180) calendar days or thirty (30) legislative days, whichever period is longer. Emergency rules are not renewable, although an agency may at any time adopt an identical rule under the normal rulemaking procedures.

Title 19—DEPARTMENT OF HEALTH AND SENIOR SERVICES
Division 30—Division of Regulation and Licensure
Chapter 95—Medical Marijuana

EMERGENCY RULE

19 CSR 30-95.020 General Provisions

PURPOSE: This rule explains where and when licensing application fees may be pre-filed with the Department of Health and Senior Services and provides the form for pre-filing licensing application fees.

EMERGENCY STATEMENT: This emergency rule informs the public when licensing application fees for medical marijuana cultivation, dispensary, and infused products manufacturing facilities may be pre-filed with the Missouri Department of Health and Senior Services. Article XVI, Section 1 of the Missouri Constitution became effective on December 6, 2018 and requires that the department begin accepting pre-filed licensing application fees from the public beginning thirty (30) days after that effective date, which is January 5, 2019. In order to collect those pre-filed fees and maintain accurate records of who has paid such fees to the department and why such fees were submitted, the department requires a Pre-Filed License Application Fee form and regulations must be promulgated to instruct the public on where to locate and how to submit this form and their pre-filed application fees. Article XVI, Section 1 of the Missouri Constitution

grants the department the authority to promulgate rules and emergency rules for the enforcement of the section. Without such emergency rules, the department will be unable to efficiently regulate and control the cultivation, manufacturing, and sale of marijuana for medical use and access to qualified patients and their caregivers will be unreasonably restricted. As a result, the department finds a compelling governmental interest in promoting the health and safety of Missouri residents who wish to use marijuana for medical purposes, requiring this emergency action. A proposed rule, which covers the same material, is published in this issue of the Missouri Register. The scope of this emergency rule is limited to the circumstances creating the emergency and complies with the protections extended in the Missouri and United States Constitutions. The department believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed December 14, 2018, becomes effective December 24, 2018, and expires June 21, 2019.

(1) Application Fees.

(A) The department shall charge each applicant seeking a license a nonrefundable fee as authorized by Article XVI, Section 1, Subsection 3 of the *Missouri Constitution*. The department shall publish the current fees, including any adjustments, on its medical marijuana program website at <https://health.mo.gov/safety/medical-marijuana/index.php>.

(2) Pre-filed Application Fees.

(A) Any applicant seeking a license authorized by Article XVI, Section 1 of the *Missouri Constitution*, may pre-file their application fee with the department beginning on January 5, 2019.

(B) All pre-filed application fees submitted to the department are nonrefundable.

(C) All pre-filed application fees shall be accompanied by a completed Pre-Filed License Application Fee form, promulgated as of December 2018 and incorporated by reference in this rule. As published by the Missouri Department of Health and Senior Services, PO Box 570, Jefferson City, MO 65102-0570 and available at <https://health.mo.gov/safety/medical-marijuana/forms.php>. This rule does not incorporate any subsequent amendment or addition.

(D) The submittal of a pre-filed application fee does not guarantee a license shall be issued. An applicant who submits a pre-filed application fee and a completed Pre-Filed License Application Fee form shall not be considered for licensure until the applicant also submits a completed application for licensure.

(E) The department will only accept pre-filed application fees made by personal or certified check, cashier's check, or money order made payable to the Missouri Department of Health and Senior Services.

(F) An applicant may deliver their completed form and pre-filed application fee:

1. By mail to the Missouri Department of Health and Senior Services, FEE RECEIPT UNIT, P.O. Box 570, Jefferson City, MO 65102-0570; or

2. By hand or by special courier to the physical street address of FEE RECEIPT UNIT, at the Missouri Department of Health and Senior Services, 920 Wildwood Drive, Jefferson City, MO 65109.

(G) Applicants submitting pre-filed application fees shall identify the type of license anticipated and the general location of the anticipated facility, should a license be granted. The facility location information is for department tracking purposes only. The facility location may change prior to a license being granted.

(H) If an applicant desires to seek multiple licenses and/or different types of licenses, the applicant must submit a separate Pre-Filed License Application Fee form and fee for each license.

(I) A pre-filed application fee shall only be applicable to a license application submitted by such applicant, or their designee as provided

in subsection (2)(J), to the department within one (1) year of the date on which the department begins accepting applications for licenses authorized under Article XVI, Section 1 of the *Missouri Constitution*.

(J) An applicant who submits a pre-filed application fee, as an individual, may provide written notice to the department that such pre-filed application fee should be used for the license application of a business which they have an ownership interest in.

(K) A pre-filed application fee is considered submitted, for the purposes of this rule, on the date on which it is received by the department with a completed Pre-Filed License Application Fee form.

AUTHORITY: section 1 of Art. XVI, Mo. Const. Emergency rule filed Dec. 14, 2018, effective Dec. 24, 2018, expires June 21, 2019. A proposed rule covering this same material is published in this issue of the Missouri Register.

Under this heading will appear the text of proposed rules and changes. The notice of proposed rulemaking is required to contain an explanation of any new rule or any change in an existing rule and the reasons therefor. This is set out in the Purpose section with each rule. Also required is a citation to the legal authority to make rules. This appears following the text of the rule, after the word "Authority."

Entirely new rules are printed without any special symbology under the heading of proposed rule. If an existing rule is to be amended or rescinded, it will have a heading of proposed amendment or proposed rescission. Rules which are proposed to be amended will have new matter printed in boldface type and matter to be deleted placed in brackets.

An important function of the *Missouri Register* is to solicit and encourage public participation in the rulemaking process. The law provides that for every proposed rule, amendment, or rescission there must be a notice that anyone may comment on the proposed action. This comment may take different forms.

If an agency is required by statute to hold a public hearing before making any new rules, then a Notice of Public Hearing will appear following the text of the rule. Hearing dates must be at least thirty (30) days after publication of the notice in the *Missouri Register*. If no hearing is planned or required, the agency must give a Notice to Submit Comments. This allows anyone to file statements in support of or in opposition to the proposed action with the agency within a specified time, no less than thirty (30) days after publication of the notice in the *Missouri Register*.

An agency may hold a public hearing on a rule even though not required by law to hold one. If an agency allows comments to be received following the hearing date, the close of comments date will be used as the beginning day in the ninety- (90-) day-count necessary for the filing of the order of rulemaking.

If an agency decides to hold a public hearing after planning not to, it must withdraw the earlier notice and file a new notice of proposed rulemaking and schedule a hearing for a date not less than thirty (30) days from the date of publication of the new notice.

Proposed Amendment Text Reminder:
Boldface text indicates new matter.

[Bracketed text indicates matter being deleted.]

**Title 3—DEPARTMENT OF CONSERVATION
Division 10—Conservation Commission
Chapter 9—Wildlife Code: Confined Wildlife: Privileges,
Permits, Standards**

PROPOSED AMENDMENT

3 CSR 10-9.220 Wildlife Confinement Standards. The commission proposes to amend section (3), paragraphs (3)(A)1., (3)(A)3., (3)(A)4., (3)(B)1., (3)(B)2., and subsection (3)(C); remove paragraphs (3)(C)1.-5., and subsections (3)(D) and (3)(E); re-letter subsequent subsections; amend new subsection (3)(D) and remove paragraphs (3)(D)1.-3.; amend new subsection (3)(E) and remove paragraphs (3)(E)1.-3.; and amend new subsections (3)(F) and (3)(G) of this rule.

PURPOSE: *This amendment permits the use of additional fencing materials, allows existing live trees with a six inch (6") or greater*

diameter at breast height to remain on existing facilities, and simplifies fencing standards for confined cervids while assuring the animals are confined in humane and sanitary conditions and in ways that prevent ingress and egress of those animals.

(3) Cages, pens, or other enclosures of individuals permitted to hold cervids shall meet the standards and requirements provided in this section *[no later than June 30, 2016. New permits for holding cervids on or after January 30, 2015, will be limited to individuals who meet the following fencing and holding requirements:]*.

(A) Cages, pens, or other enclosures.

1. All fencing shall extend at least a minimum of eight feet (8') high for its entire length, and consist of **not smaller than twelve and one-half (12 1/2) gauge woven or high-tensile woven wire, [fourteen and one-half (14 1/2) gauge high-tensile woven wire,] not smaller than six (6) gauge welded wire, not smaller than nine (9) gauge chain link, or wood planks. [or chain link. Strands of barbed wire shall not be used to achieve the maximum required height.]**

2. Spacing between vertical wires and wooden planks shall not exceed six and one-half inches (6 1/2").

3. If two (2) *[woven wire]* or more fences are combined, one (1) above the other, the *[woven wire]* fences shall be overlapped at least six inches (6") and firmly attached to each other at intervals no greater than three feet (3') or combined and firmly attached to each other at intervals no greater than *[six inches (6")]* **twelve inches (12")** apart *[with hog rings]*.

4. The fence *[bottoms]* shall be installed **and maintained** to provide not more than three inches (3") of ground clearance for its entire length.

(B) Right-of-way.

1. The fence right-of-way shall be cleared of **woody vegetation less than six inch (6") diameter at breast height** for a minimum distance of six feet (6') on the outside of the fence on land(s) under his/her control and six feet (6') on the inside of the fencing. **For enclosures and additions constructed after April 30, 2018, the fence right-of-way shall be cleared of all woody vegetation for a minimum distance of six feet (6') on the outside and the inside of the fencing.**

2. *[The permit holder shall fell all]* **All** dead trees with a height greater than the distance to the fence on land(s) under his/her control **shall be felled.**

(C) Fence posts **shall extend at least a minimum of eight feet (8') high, shall be of sufficient strength, and placed to maintain fence integrity.**

[1. Fence posts shall extend at least a minimum of eight feet (8') high and shall be of sufficient strength to maintain fence integrity.

2. Pine wood posts shall be treated.

3. Wood and steel pipe posts shall be set to a minimum depth of three feet (3').

4. Metal T-posts shall be installed according to manufacturers' specifications.

5. Metal U-posts shall be of a sufficient strength to support the fence.

(D) Line posts.

1. Wooden line posts shall be a minimum of four inches (4") in diameter and shall not be spaced more than twenty-four feet (24') apart.

2. Steel pipe line posts shall—

A. Be a minimum of two and three-eighths inches (2 3/8") in outside diameter; and

B. Not spaced more than twenty-four feet (24') apart.

3. Metal "T" and "U" line posts shall be spaced no more than twenty feet (20') apart.

4. If the woven wire is not high tensile, there shall be a wooden or steel pipe post every sixty feet (60').

5. Line braces shall be used at least every one thousand feet (1000') of straight line distance and, if necessary, at shorter intervals to sufficiently support the fence.

(E) Corner and end posts.

1. Wooden corner and end posts shall be a minimum of five inches (5") in diameter.

2. Steel pipe corner and end posts shall be a minimum of two and seven-eighths inches (2 7/8") in outside diameter.

3. Corner and end posts of other materials shall be of sufficient strength to maintain fence integrity and must be approved by the department prior to installation.

4. Corner and end posts must be set in concrete and braced in a manner to sufficiently support the fence.]

[(F)](D) Gates shall be[-] locked, latched, and constructed to meet or exceed the standards of the fence.

[1. Constructed to meet the specifications of the fence;

2. Equipped with at least one (1) latching and one (1) locking device; and

3. Gate support posts must be braced in a manner to sufficiently support the fence.]

[(G)](E) Water gaps and stream crossings[.] shall be constructed and maintained in a condition to prevent ingress and egress of cervids at all times.

[1. Swinging water gaps and stream crossings shall be constructed to equal or exceed the standards of the fence.

2. These crossings shall be adequate to prevent ingress and egress during high water.

3. Permissible water gaps are as follows:

A. Swinging gates constructed to match the contour of the stream supported by a galvanized steel cable or hinge. Cable shall be a minimum of five-eighths inch (5/8") in diameter;

B. Pipe with swinging barrier;

C. Pipe with fixed mesh barrier; and

D. Heavy gauge woven barrier contoured to fit the gap.]

[(H)](F) If topographic, natural, or other conditions exist that enable cervids to pass through, under, or over the fence, the permit holder shall be required to supplement the fence with additional, stronger or higher fence posts, special grading, additional fencing [wire to increase fence height], or other measures to prevent [escape] ingress and egress of cervids at all times.

[(I)](G) Fencing shall be maintained in a condition to prevent [an escape] ingress and egress of cervids at all times.

AUTHORITY: sections 40 and 45 of Art. IV, Mo. Const. and section 252.040, RSMo 2016. This rule was previously filed as 3 CSR 10-3.020. Original rule filed Nov. 2, 1984, effective Feb. 11, 1985. For intervening history, please consult the *Code of State Regulations*. Amended: Filed Dec. 14, 2018.

PUBLIC ENTITY COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE ENTITY COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Regulations Committee Chairman, Department of Conservation, PO Box 180, Jefferson City, MO 65102-0180, or via the department's website at <http://short.mdc.mo.gov/Z49>. To be considered, comments must be received within thirty (30) days after publication of

this notice in the *Missouri Register*. No public hearing is scheduled.

Title 7—MISSOURI DEPARTMENT OF TRANSPORTATION

Division 10—Missouri Highways and Transportation Commission

Chapter 4—Uniform Relocation Assistance

PROPOSED AMENDMENT

7 CSR 10-4.020 Relocation Assistance Program. The Missouri Highways and Transportation Commission is amending section (1).

PURPOSE: This amendment incorporates changes to the department's Relocation Assistance Program Manual, which were required by the Moving Ahead for Progress in the 21st Century Act of 2012 (MAP-21) and changes to Title 23, Code of Federal Regulations, Part 710, effective September 22, 2016.

PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here.

(1) This rule adopts the department's Engineering Policy Guide, Category 236—Right of Way, Article 8, *Relocation Assistance Program*, which is incorporated herein by reference and made a part of this rule as published by the Missouri Highways and Transportation Commission, Design Division, 105 West Capitol Avenue, Jefferson City, MO 65102, [October 31, 2017] **September 25, 2018** Edition. This rule does not incorporate any subsequent amendments or additions.

AUTHORITY: sections 226.150, 227.120, and 523.210, RSMo 2016; 42 U.S.C. Chapter 61; 23 CFR Part 710; and 49 CFR Part 24. Original rule filed March 4, 1983, effective June 15, 1983. For intervening history, please consult the *Code of State Regulations*. Amended: Filed Dec. 10, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Highways and Transportation Commission, Pamela J. Harlan, Secretary to the Commission, 105 W. Capitol Avenue, PO Box 270, Jefferson City, MO 65102 or Pamela.Harlan@modot.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

Title 12—DEPARTMENT OF REVENUE

Division 40—State Lottery Chapter 10—General Considerations

PROPOSED RULE

12 CSR 40-10.040 Commission Meetings

PURPOSE: This rule informs the commission's meeting frequency and procedures.

(1) The commission shall meet at least quarterly, whether in person or via electronic media, with such meetings presided over by the chairman or, in the chairman's absence or at the chairman's request, by the vice chairman, if any.

(2) The commission shall elect officers from its membership as it determines.

(3) Interim meetings shall be convened at the request of the chairman or upon written request received by the chairman from a majority of the commission.

(4) The commission shall conduct its meetings in accordance with the current edition of *Robert's Rules of Order Newly Revised* in all cases in which they are applicable and not inconsistent with applicable law.

AUTHORITY: sections 313.220 and 313.225, RSMo 2016. Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed July 15, 2014, effective Feb. 28, 2015. Rescinded: Filed Dec. 27, 2017, effective June 30, 2018. Readopted: Filed Dec. 5, 2018.

PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 40—Retail Sales Licenses**

PROPOSED AMENDMENT

12 CSR 40-40.280 Retailer Contract Provisions. The department is amending the rule purpose.

PURPOSE: This amendment eliminates unnecessary language in the purpose of the rule.

PURPOSE: [This rule contains provisions already existing in other regulations but would move those provisions to the chapter that primarily governs retailers.] This rule establishes certain provisions that may be included, but are not required, in retailer contracts.

AUTHORITY: section 313.220, RSMo 2016. Original rule filed Dec. 27, 2017, effective June 30, 2018. Amended: Filed Dec. 5, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the

Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 50—Tickets and Prizes**

PROPOSED AMENDMENT

12 CSR 40-50.060 Player Agreement. The department is amending the rule purpose.

PURPOSE: This amendment eliminates unnecessary language in the purpose of the rule.

PURPOSE: [This proposed rule contains provisions already existing in other regulations but would move those provisions to the chapter that primarily governs players' tickets and prizes.] This [proposed] rule addresses player compliance with lottery law, rules, instructions, and agreements.

AUTHORITY: sections 313.220 and 313.230, RSMo 2016. Original rule filed Dec. 27, 2017, effective June 30, 2018. Amended: Filed Dec. 5, 2018

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE
Division 40—State Lottery
Chapter 70—Suspension, Revocation and
Denial of Licenses**

PROPOSED AMENDMENT

12 CSR 40-70.040 Effect of Action and Submission of Evidence. The department is amending sections (1) and (2).

PURPOSE: This amendment eliminates two (2) outdated cross-references to another regulation.

(1) Except [as provided in 12 CSR 40-70.050] when the notice of action indicates it is immediately effective, any action which the director proposes to take shall not take effect until the expiration of the thirty- (30-)/-/ day period in which the licensee may file evidence under 12 CSR 40-70.030 including any extension granted under 12 CSR 40-70.030.

(2) Except [as provided in 12 CSR 40-70.050] when the notice of action indicates it is immediately effective, any submission under 12 CSR 40-70.010 shall stay any action until the final decision of the director.

AUTHORITY: section 313.220, RSMo [1986] 2016. Original rule filed April 9, 1986, effective April 19, 1986. Amended: Filed Dec. 5, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Director of Legal Services, Missouri Lottery, PO Box 1603, Jefferson City, MO 65102-1603. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 19—DEPARTMENT OF HEALTH AND
SENIOR SERVICES
Division 30—Division of Regulation and Licensure
Chapter 95—Medical Marijuana**

PROPOSED RULE

19 CSR 30-95.020 General Provisions

PURPOSE: This rule explains where and when licensing application fees may be pre-filed with the Department of Health and Senior Services and provides the form for pre-filing licensing application fees.

(1) Application Fee.

(A) The department shall charge each applicant seeking a license a nonrefundable fee as authorized by Article XVI, Section 1, Subsection 3 of the *Missouri Constitution*. The department shall publish the current fees, including any adjustments, on its medical marijuana program website at <https://health.mo.gov/safety/medical-marijuana/index.php>

(2) Pre-filed Application Fees.

(A) Any applicant seeking a license authorized by Article XVI, Section 1 of the *Missouri Constitution*, may pre-file their application fee with the department beginning on January 5, 2019.

(B) All pre-filed application fees submitted to the department are nonrefundable.

(C) All pre-filed application fees shall be accompanied by a completed Pre-Filed License Application Fee form, promulgated as of December 2018 and incorporated by reference in this rule. As published by the Missouri Department of Health and Senior Services, PO Box 570, Jefferson City, MO 65102-0570 and available at <https://health.mo.gov/safety/medical-marijuana/forms.php>. This rule does not incorporate any subsequent amendment or addition.

(D) The submittal of a pre-filed application fee does not guarantee a license shall be issued. An applicant who submits a pre-filed application fee and a completed Pre-Filed License Application Fee form shall not be considered for licensure until the applicant also submits a completed application for licensure.

(E) The department will only accept pre-filed application fees made by personal or certified check, cashier's check, or money order made payable to the Missouri Department of Health and Senior Services.

(F) An applicant may deliver their completed form and pre-filed application fee—

1. By mail to the Missouri Department of Health and Senior Services, FEE RECEIPT UNIT, P.O. Box 570, Jefferson City, MO 65102-0570; or

2. By hand or by special courier to the physical street address of FEE RECEIPT UNIT, at the Missouri Department of Health and Senior Services, 920 Wildwood Drive, Jefferson City, MO 65109.

(G) Applicants submitting pre-filed application fees shall identify the type of license anticipated and the general location of the antici-

pated facility, should a license be granted. The facility location information is for department tracking purposes only. The facility location may change prior to a license being granted.

(H) If an applicant desires to seek multiple licenses and/or different types of licenses, the applicant must submit a separate Pre-Filed License Application Fee form and fee for each license.

(I) A pre-filed application fee shall only be applicable to a license application submitted by such applicant, or their designee as provided in subsection (2)(J), to the department within one (1) year of the date on which the department begins accepting applications for licenses authorized under Article XVI, Section 1 of the *Missouri Constitution*.

(J) An applicant who submits a pre-filed application fee, as an individual, may provide written notice to the department that such pre-filed application fee should be used for the license application of a business which they have an ownership interest in.

(K) A pre-filed application fee is considered submitted, for the purposes of this rule, on the date on which it is received by the department with a completed Pre-Filed License Application Fee form.

AUTHORITY: section 1 of Art. XVI, Mo. Const. Emergency rule filed Dec. 14, 2018, effective Dec. 24, 2018, expires June 21, 2019. Original rule filed Dec. 14, 2018.

PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with Dean Linneman, Director, Department of Health and Senior Services, Division of Regulation and Licensure, PO Box 570, Jefferson City, MO 65102-0570. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 100—Insurer Conduct
Chapter 1—Improper or Unfair Claims Settlement
Practices**

PROPOSED AMENDMENT

20 CSR 100-1.010 Definitions. The director is amending subsection (1)(E) of this rule

PURPOSE: For purposes of uniformity, this amendment is modifying the definition of "insurer" to be consistent with the definition in section 375.1002(2).

(1) As used in the Unfair Claims Settlement Practices Act at sections 375.1000 to 375.1018, RSMo and in the regulations promulgated pursuant thereto—

(E) "Insurer," [any legal entity organized, incorporated or doing business under the provisions of Chapter(s) 354, 375–379, 381 or 383, RSMo or otherwise engaged in the business of insurance in this state] has the same meaning as in section 375.1002(2), RSMo;

AUTHORITY: sections 374.045, RSMo and 375.1000–375.1018, RSMo 2016. This rule was previously filed as 4 CSR 190-10.060(1).

Original rule filed Aug. 5, 1974, effective Aug. 15, 1974. For intervening history, please consult the *Code of State Regulations*. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 100—Insurer Conduct
Chapter 1—Improper or Unfair Claims Settlement
Practices**

PROPOSED AMENDMENT

20 CSR 100-1.050 Standards for Prompt, Fair, and Equitable Settlement of Claims. The director is amending the purpose statement, section (1), subsections (1)(G), (1)(H), (2)(D), (2)(E), (3)(A), and (3)(B).

PURPOSE: This amendment updates and clarifies standards for prompt, fair and equitable settlements regarding claims under health benefit plans, and clarifies how interest is applied to death benefit claims. This amendment also updates language regarding estimates as stated in the NAIC model.

PURPOSE: This rule effectuates or aids in the interpretation of sections 375.1007(3) and 375.1007(4), RSMo.

(1) Standards for Prompt, Fair, and Equitable Settlements Applicable to All Insurers, (excluding electronically submitted claims under health benefit plans subject to sections 376.383 to 376.384, RSMo).

(G) All insurers offering cash settlements of first-party long-term disability income claims shall develop a present value calculation of future benefits utilizing contingencies, such as mortality, morbidity, and interest rate assumptions, etc., appropriate to the risk. A copy of the amount so calculated shall be given to the insured and signed by him/her at the time a settlement is entered into. *A*, and a copy of the amount with the calculations shall be given to the insured at the time the insured is first approached regarding settlement. This acknowledgment of advice of probable value of the contract, together with a copy of the calculations used to arrive at the amount, shall be maintained in the claim file whenever a cash settlement is accepted by the insured. This regulation *[shall]* does not apply to the settlement of liability insurance claims or structured settlements made in settlement of liability insurance claims. The furnishing of a present value calculation to an insured *[shall]* is not *[be]* construed to imply or impose any liability on the insurer.

(H) *[Interest at the rate of nine percent (9%) per annum shall be paid on all life insurance policy proceeds upon the death of the insured if the insurer fails to pay the proceeds of the policy within thirty (30) days of submission of proof of death and receipt of all necessary proofs of loss. Payment*

shall include interest at nine percent (9%) per annum, unless another rate has been agreed upon, from the date of death of the insured until the date the claim is paid.] For death benefit claims on all life insurance policies, consistent with section 408.020, interest accrues at the rate of nine percent (9%) per annum, unless a different interest rate is specified in the policy, from the date of death of the insured until the date the claim is paid if the insurer fails to pay the policy proceeds within thirty (30) days of submission of proof of death and receipt of all necessary proofs of loss. Interest at the same rate continues to accrue on any unpaid interest not included with the death benefit payment.

(2) Standards for Prompt, Fair, and Equitable Settlements Applicable to Automobile Insurance.

(D) Estimates.

1. If an insurer prepares an estimate of the cost of automobile repairs, the estimate shall be in an amount for which it may be reasonably expected the damages can be satisfactorily repaired. The insurer shall give a copy of the estimate to the claimant and may furnish to the claimant the names of one (1) or more conveniently located repair shops.

2. No insurer may prepare an estimate, except an estimate prepared at the insured's request by a person or entity having no contractual relationship with the insurer, of the cost of automobile repairs based on the use of an after-market part, unless each of the following conditions are met:

A. The insurer discloses to the claimant in writing, either on the estimate or in a separate document attached to the estimate, the following information in no smaller than ten- (10-)/- point type: "This estimate has been prepared based on the use of an automobile part(s) not made by the original equipment manufacturer. Parts used in the repair of your vehicle by other than the original manufacturer are required to be at least equal in *[like,]* kind and quality in terms of fit, quality, and performance to the original manufacturer parts they are replacing." All after-market parts installed on the vehicle shall be clearly identified on the repair estimate;

B. No insurer shall require the use of after-market parts in the repair of an automobile unless the after-market part is at least equal in *[like,]* kind and quality to the original part in terms of fit, quality, and performance. Insurers specifying the use of after-market parts shall consider the cost of any modifications which may become necessary when making the repair; and

C. All after-market parts, which are subject to this regulation and manufactured after October 31, 1991, shall carry sufficient permanent identification so as to identify its manufacturer. *[This, with the identification [shall] being accessible to the extent possible after installation.*

3. Definitions.

A. Insurer includes any person authorized to represent the insurer with respect to a claim and who is acting within the scope of the person's authority.

B. After-market part, for purposes of this regulation, means sheet metal or plastic parts which generally constitute the exterior of a motor vehicle, including inner and outer panels, not made by the original equipment manufacturer.

(E) When the amount claimed is reduced because of betterment or depreciation, all information for the reduction shall be contained in the claim file. These reductions shall be itemized and *[shall be]* appropriate in amount.

(3) Standards for Prompt, Fair, and Equitable Settlements Applicable to Health Insurance.

(A) Precertification. An insurer may require that claimants for health insurance benefits have their course of treatment certified in advance of incurring the claim based upon the course of treatment, so long as the following *[requirements]* conditions are met:

1. The rules of the insurer for precertification *[must be]* are

fully disclosed to the covered person in advance of any incurred claim or course of treatment; and

2. Precertification determinations *[must be]* are made in a prompt, fair, and equitable manner.

(B) Denial of Precertified Claims.

1. No insurer may deny, in whole or in part, any claim for health insurance benefits if—

A. The claim is based upon a course of treatment which has been precertified; and

B. The claim denial is based upon one (1) or more of the following reasons:

(I) The claim or course of treatment was not medically necessary; or

(II) The claim or course of treatment was experimental.

2. The provisions of paragraph (3)(B)1. of this rule do not apply to any claim against an insurer which has a contract—

A. With the health care provider who provided the treatment upon which the claim is based; and

B. Which *[requires]* provides that the health care provider *[to]* will hold the insured harmless from the denial of the claim.

AUTHORITY: sections 374.045 and 375.1000–375.1018, RSMo 2016. This rule was previously filed as 4 CSR 190-10.060(6), (7), and (11). Original rule filed Aug. 5, 1974, effective Aug. 15, 1974. For intervening history, please consult the Code of State Regulations. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 100—Insurer Conduct
Chapter 1—Improper or Unfair Claims Settlement
Practices**

PROPOSED AMENDMENT

20 CSR 100-1.070 Identification Cards Issued by Health Carriers. The director is amending subsections (1)(B), (2)(A), (2)(B), (3)(B), and removing subsection (3)(C).

PURPOSE: This amendment clarifies and simplifies the language of the rule and removes unnecessary subsections.

(1) Applicability.

(B) The provisions of this rule *[shall]* do not apply to identification cards issued to individuals or groups that relate solely to the provision of prescription drug benefits.

(2) Definitions. As used in this section—

(A) “Health benefit plan” *[shall]* means health benefit plan as defined in section 376.1350(18), RSMo; and

(B) “Health carrier” *[shall]* means health carrier as defined in section 376.1350(22), RSMo.

(3) Identification Cards.

(B) *[Nothing shall prohibit the]* The issuer of a health benefit plan *[from using]* may use an identification card containing a magnetic strip or other technological component enabling the electronic transmission of information, provided that the information *[required]* in this section is printed on the card.

[[C)] The requirements of this section shall apply as follows:

1. Beginning on March 1, 2010, for all new health benefit plans issued on or after March 1, 2010; and

2. On the first plan anniversary after March 1, 2010, for all health benefit plans already in effect on March 1, 2010.]

AUTHORITY: sections 376.1007, 374.045, 376.383, and 376.384, [2000, Supp. 2008] RSMo 2016. Original rule filed Sept. 5, 2008, effective May 30, 2009. Amended: Filed December 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS
AND PROFESSIONAL REGISTRATION
Division 100—Insurer Conduct
Chapter 1—Improper or Unfair Claims Settlement
Practices**

PROPOSED RESCISSION

20 CSR 100-1.200 Claims Practices When Retrospective Premiums Paid. This rule prohibited policyholders from settling their own losses.

PURPOSE: This rule is being rescinded as it is no longer necessary.

AUTHORITY: section 374.045, RSMo 2000 and section 375.445, RSMo Supp. 2007. This rule was previously filed as 4 CSR 190-10.055. Original rule filed Aug. 5, 1974, effective Aug. 15, 1974. Amended: Filed July 12, 2002, effective Jan. 30, 2003. Amended: Filed Nov. 1, 2007, effective July 30, 2008. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

Division 100—Insurer Conduct

**Chapter 1—Improper or Unfair Claims Settlement
Practices**

PROPOSED RESCISSION

20 CSR 100-1.300 Assignment of Benefits. This rule implemented and interpreted the provisions of section 376.427, RSMo.

PURPOSE: This rule is being rescinded as it is duplicative to provisions already contained in statutes.

AUTHORITY: sections 374.045 and 376.778, RSMo 1986 and 376.427, RSMo Supp. 1990. Original rule filed April 25, 1991, effective Sept. 30, 1991. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

Division 100—Insurer Conduct

Chapter 2—Unfair Trade Practices

PROPOSED RESCISSION

20 CSR 100-2.100 Unfair Financial Planning Practices. This rule defined in part false information and advertising under section 375.936(4).

PURPOSE: This rule is being rescinded because it has been superseded by the provisions of section 375.936(12), RSMo.

AUTHORITY: section 374.045, RSMo 2000. This rule was previously filed as 4 CSR 190-10.120. Original rule filed Oct. 16, 1989, effective April 15, 1990. Amended: Filed Nov. 1, 2007, effective July 30, 2008. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the

aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

Division 100—Insurer Conduct

Chapter 3—Fraudulent Insurance Claims and Acts

PROPOSED RESCISSION

20 CSR 100-3.100 Fraud Investigation Reports. This rule set forth the forms to be used in reporting fraudulent insurance acts to the department.

PURPOSE: This rule is being rescinded because the requirements are set forth in Section 375.992, RSMo.

AUTHORITY sections 374.045, 375.992, and 375.993, RSMo 2000 and sections 375.991 and 375.994, RSMo Supp. 2007. Original rule filed Sept. 15, 1992, effective June 7, 1993. Amended: Filed Nov. 1, 2007, effective July 30, 2008. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

Division 100—Insurer Conduct

Chapter 4—General

PROPOSED RESCISSION

20 CSR 100-4.010 Definitions. This rule set forth definitions used in this division to aid insurers, producers, the Consumer Affairs Division and the Insurance Market Regulation Division in the interpretation of various terms and phrases.

PURPOSE: This rule is being rescinded because its provisions are being incorporated in 20 CSR 100-4.100.

AUTHORITY section 374.045, RSMo 2000. Original rule filed Nov.

1, 2007, effective July 30, 2008. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 100—Insurer Conduct
Chapter 4—General**

PROPOSED RESCISSION

20 CSR 100-4.020 Adopting NAIC Handbooks and Standards. This rule effecuated and aided in the interpretation of the laws of this state pertaining to the business of insurance, and the rules, regulations, standards and guidelines of the National Association of Insurance Commissioners.

PURPOSE: This rule is being rescinded as it is duplicative of statutory language and is no longer necessary.

AUTHORITY section 374.045, RSMo 2000. Original rule filed Nov. 1, 2007, effective July 30, 2008. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 100—Insurer Conduct
Chapter 4—General**

PROPOSED RESCISSION

20 CSR 100-4.030 Forms. This rule prescribed the forms adopted and approved for filing with the department under this title.

PURPOSE: This rule is being rescinded as it is no longer needed.

AUTHORITY section 374.045, RSMo 2000. Original rule filed Nov. 1, 2007, effective July 30, 2008. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 100—Insurer Conduct
Chapter 7—Market Conduct Analysis**

PROPOSED AMENDMENT

20 CSR 100-7.002 Scope and Definitions. The director is amending sections (1) and (2), adding new subsections (2)(H) and (2)(T), and deleting the original subsection (2)(T).

PURPOSE: This amendment clarifies and modernizes the rule by providing definitions for examination warrant and qualified contract examiner to aid in the interpretation of the rules in this chapter.

(1) Applicability of Rules. The rules in this chapter apply to insurers and other companies transacting business in the state and examiners, analysts, and other staff within the division engaged in market conduct actions, and *[shall]* **are to be read together with Chapter 536, RSMo, sections 374.202 to 374.207, 374.185, and 374.190, RSMo.**

(2) Definitions. As used in this chapter, the following terms *[shall]* mean:

(B) “Complaint,” *[a written or documented oral communication, received by the department, primarily expressing a grievance, meaning an expression of dissatisfaction with a specific insurance company or producer]* **has the same meaning as in section 375.936(3), RSMo;**

(C) “Comprehensive market conduct examination,” a full-scope examination that generally involves a review of the company’s operations/management, complaint handling, marketing and sales, advertising materials, licensing, policyholder service, underwriting and rating, *[tier classifications,]* nonforfeitures, policy forms and filings, *[compliance procedures and policies,]* claim handling, and other state-specific requirements;

(H) “Examination warrant,” **a document issued by the director or the director’s designee appointing one (1) or more examiners to perform a market conduct examination and instructing them as to the scope of the examination;**

[(H)](I) “Examiner,” any individual having been authorized by the director to conduct a market conduct examination under sections 374.202 to 374.207, RSMo;

[(I)](J) “Insurer,” any person as defined by section 374.202.2(5), RSMo;

[(J)](K) “Market analysis,” a process whereby market conduct

surveillance personnel collect and analyze information from filed schedules, surveys, [required] reports, and other sources in order to develop a baseline understanding of the marketplace and to identify patterns or practices of insurers or companies licensed to do business in this state that deviate significantly from the norm or that may pose a potential risk to insurance consumers;

[(K)](L) "Market conduct action," any of the full range of activities that the director may initiate to assess and address the market and practices of individual insurers or companies, beginning with market analysis and extending to examinations. The director's activities to resolve an individual consumer complaint or other reports of a specific instance of misconduct are not market conduct actions for the purposes of this chapter;

[(L)](M) "Market conduct examination," the examination of the insurance operations of an insurer or company licensed to do business in this state in order to evaluate compliance with the applicable laws and regulations of this state. A market conduct examination may be either a comprehensive examination or a targeted examination. A market conduct examination conducted under sections 374.202 to 374.207, RSMo, is separate and distinct from a financial examination of an insurer, but may be conducted at the same time;

[(M)](N) "Market conduct surveillance personnel," those individuals employed or contracted by the director to collect, analyze, review, examine, or act on information on the insurance marketplace, which identifies pattern or practices of insurers and other companies;

[(N)](O) "National Association of Insurance Commissioners" or "NAIC," the organization of insurance regulators from the fifty (50) states, the District of Columbia, and the four (4) United States territories;

[(O)](P) "NAIC market conduct uniform examination procedures," the set of guidelines developed and adopted by the NAIC designed to be used by market conduct surveillance personnel in conducting an examination;

[(P)](Q) "NAIC Market Regulation Handbook," a handbook, developed and adopted by the NAIC, or successor product, which—

1. Outlines elements and objectives of market analysis and the process by which states can establish and implement market analysis programs; and

2. Establishes guidelines for market conduct surveillance personnel examination practices;

[(Q)](R) "NAIC standard data request," the set of field names and descriptions developed and adopted by the NAIC for use by market conduct surveillance personnel in an examination;

[(R)](S) "On-site examination," an examination conducted at the company's home office or the location where the records under review are stored;

(T) "Qualified contract examiner," a person under contract to the department, who is qualified by education, experience, and, where applicable, professional designations, to perform market conduct actions; and

[(S)](U) "Targeted examination," a [for cause review of] focused exam, based on the results of market analysis indicating the need to review either a specific line of business or specific business practices, including, but not limited to, underwriting and rating, [tier classification,] marketing and sales, complaint handling, operations or management, advertising materials, licensing, policyholder services, [non-forfeitures] nonforfeitures, claims handling, policy forms and filings, or [compliance procedures and policies] any other area of review in the NAIC Market Regulation Handbook. A targeted examination may be conducted by desk examination or by an on-site examination[; and].

[(T)] "Warrant," a written order of the director commanding the division to conduct a market conduct examination.]

AUTHORITY: sections 374.045, 374.185, 374.190, and 374.202–374.207, RSMo 2016. Original rule filed April 1, 2008, effective Nov. 30, 2008. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 100—Insurer Conduct
Chapter 7—Market Conduct Analysis**

PROPOSED AMENDMENT

20 CSR 100-7.005 Uniform Analysis and Continuum of Actions.
The director is amending sections (1), (2), (3), and (4), adding new sections (3), (6), and (7), and deleting subsections (1)(D) and (1)(E).

PURPOSE: This amendment clarifies and modernizes the rule by removing unnecessary language. This amendment also adds statutory references, clarifies actions that may be taken as a result of market analysis, and provides the insurer with the opportunity to resolve market conduct concerns through an informal conference.

(1) The [director is responsible for market regulation of insurers for Missouri policyholder protection and shall utilize market conduct actions, including market analysis, investigations, desk examinations, targeted examinations, and comprehensive examinations of insurers. Such actions shall be pursued by the division in a manner consistent with the purposes of section 374.185, RSMo. In furtherance of such purposes and to provide uniform standards designed to avoid arbitrary or capricious use of discretion in issuing warrants for market conduct examinations, the] division [shall] will apply the following standards in utilizing market analysis:

(A) The division [shall] will gather information from data currently available to the division[, as well as surveys and required reporting requirements, information collected by the National Association of Insurance Commissioners (NAIC) and a variety of other sources in both the public and private sectors, and information from within and outside the insurance industry from objective sources, information from web sites for insurers, agents, and other organizations, and information from other credible sources];

(B) Such information [shall] will be analyzed in order to develop a baseline understanding of the marketplace and to identify for further review insurers or practices that deviate significantly from the norm or that may pose a potential risk to the insurance consumer; and

(C) The NAIC Market Regulation Handbook, and other handbooks adopted by the NAIC, [shall] will be used by the division as a guide in performing this analysis[;].

[(D)] The division shall identify key lines of business for systematic review; and

(E) The division shall identify companies for further analysis based on available information.]

(2) If the analysis supports further investigation or review by the

division into a particular insurer or practice, the following continuum of market conduct actions may be considered prior to *[requesting a warrant for] conducting an on-site* examination. These actions may include, but are not limited to the following:

(E) Interrogatories; *[and]*

(F) Review of insurer self-evaluation, if not subject to a privilege of confidentiality, and compliance programs, including membership in a best-practice organization*./*; and

(G) Desk examinations.

(3) The director will select a market conduct action that is cost effective for the department and the insurer or company, while still protecting the insurance consumer.

[(3)](4) Any such materials or documents reviewed by the division pursuant to section (2) of this rule *[shall be]* confidential in accordance with the provisions of sections 374.071 and 374.205.4, RSMo.

[(4)](5) The division *[shall]* will take those steps reasonably necessary to eliminate requests for information that duplicate information provided as part of an insurer's annual financial statement, the annual NAIC market conduct statement, or other *[required]* schedules, surveys, or reports regularly submitted to the director, unless the information is state specific.

(6) Market conduct actions taken as a result of a market analysis will focus on the general business practices and compliance activities of insurers rather than identifying infrequent or unintentional random errors that do not cause significant consumer harm.

(7) The insurer may be given an opportunity to resolve matters that arise as a result of a market analysis to the satisfaction of the director before any additional market conduct actions are taken against the insurer.

AUTHORITY: sections 374.045, 374.185, 374.190, and 374.202-374.207, RSMo 2016. Original rule filed April 1, 2008, effective Nov. 30, 2008. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 100—Insurer Conduct
Chapter 7—Market Conduct Analysis**

PROPOSED RESCISSION

20 CSR 100-7.010 Standards of Analysis. This rule set out the scope of the rules in this chapter and provided definitions to aid in

the interpretation of the rules in this chapter.

PURPOSE: This rule is being rescinded because it duplicates provisions in other regulations and in Section 374.205 RSMo.

AUTHORITY section 374.045, RSMo 2000. Original rule filed Nov. 1, 2007, effective July 30, 2008. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 100—Insurer Conduct
Chapter 8—Market Conduct Examination**

PROPOSED AMENDMENT

20 CSR 100-8.002 Scope and Definitions. The director is amending section (1) and (2), adding new subsections (2)(C), (2)(I), and (2)(U), deleting subsection (2)(T), and renumbering as necessary.

PURPOSE: This amendment clarifies and modernizes the rule by providing definitions for confirmed complaint, examination warrant, and qualified contract examiner to aid in the interpretation of the rules in this chapter.

(1) Applicability of Rules. The rules in this chapter apply to insurers and other companies transacting business in the state and examiners, analysts, and other staff within the division engaged in market conduct actions, and *[shall]* be read together with Chapter 536, RSMo, and sections 374.202 to 374.207, RSMo.

(2) Definitions. As used in this chapter, the following terms *[shall]* mean:

(B) "Complaint," *[a written or documented oral communication, received by the department, primarily expressing a grievance, meaning an expression of dissatisfaction with a specific insurance company or producer] has the same meaning as in section 375.936(3), RSMo;*

(C) "Confirmed Complaint," a complaint in which the state department of insurance determines:

1. The insurer, licensee, producer, or other regulated entity committed any violation of:

A. An applicable state insurance law or regulation;

B. A federal requirement that the state department of insurance has the authority to enforce; or

C. The term/condition of an insurance policy or certificate; or

2. The complaint and entity's response, considered together, indicate that the entity was in error;

[(C)](D) "Comprehensive market conduct examination," a full-scope examination that generally involves a review of the company's operations/management, complaint handling, marketing and sales,

advertising materials, licensing, policyholder service, underwriting and rating, [tier classifications,] nonforfeitures, policy forms and filings, [compliance procedures and policies,] claim handling, and other state-specific requirements;

[(D)](E) "Department," the Department of Insurance, Financial Institutions and Professional Registration;

[(E)](F) "Desk examination," an examination that is conducted by an examiner at a location other than the company's premises. A desk examination is usually performed at the department's offices with the insurer providing requested documents by hard copy, microfiche, discs, or other electronic media, for review;

[(F)](G) "Director," the director of the Department of Insurance, Financial Institutions and Professional Registration;

[(G)](H) "Division," the Division of Insurance Market Regulation;

(I) "Examination warrant," a document issued by the director or the director's designee appointing one (1) or more examiners to perform a market conduct examination and instructing them as to the scope of the examination;

[(H)](J) "Examiner," any individual having been authorized by the director to conduct a market conduct examination under sections 374.202 to 374.207, RSMo;

[(I)](K) "Insurer," any person as defined by section 374.202.2(5), RSMo;

[(J)](L) "Market analysis," a process whereby market conduct surveillance personnel collect and analyze information from filed schedules, surveys, [required] reports, and other sources in order to develop a baseline understanding of the marketplace and to identify patterns or practices of insurers or companies licensed to do business in this state that deviate significantly from the norm or that may pose a potential risk to insurance consumers;

[(K)](M) "Market conduct action," any of the full range of activities that the director may initiate to assess and address the market and practices of individual insurers or companies, beginning with market analysis and extending to examinations. The director's activities to resolve an individual consumer complaint or other reports of a specific instance of misconduct are not market conduct actions for the purposes of this chapter;

[(L)](N) "Market conduct examination," the examination of the insurance operations of an insurer or company licensed to do business in this state in order to evaluate compliance with the applicable laws and regulations of this state. A market conduct examination may be either a comprehensive examination or a targeted examination. A market conduct examination conducted under sections 374.202 to 374.207, RSMo, is separate and distinct from a financial examination of an insurer, but may be conducted at the same time;

[(M)](O) "Market conduct surveillance personnel," those individuals employed or contracted by the director to collect, analyze, review, examine, or act on information on the insurance marketplace, which identifies pattern or practices of insurers and other companies;

[(N)](P) "National Association of Insurance Commissioners" or "NAIC," the organization of insurance regulators from the fifty (50) states, the District of Columbia, and the four (4) United States territories;

[(O)](Q) "NAIC market conduct uniform examination procedures," the set of guidelines developed and adopted by the NAIC designed to be used by market conduct surveillance personnel in conducting an examination;

[(P)](R) "NAIC Market Regulation Handbook," a handbook, developed and adopted by the NAIC, or successor product, which—

1. Outlines elements and objectives of market analysis and the process by which states can establish and implement market analysis programs; and

2. Establishes guidelines for market conduct surveillance personnel examination practices.

[(Q)](S) "NAIC standard data request," the set of field names and descriptions developed and adopted by the NAIC for use by market conduct surveillance personnel in an examination;

[(R)](T) "On-site examination," an examination conducted at the

company's home office or the location where the records under review are stored;

(U) "Qualified contract examiner," a person under contract to the department, who is qualified by education, experience, and, where applicable, professional designations, to perform market conduct actions; and

[(S)](V) "Targeted examination," a [for cause review of] focused exam, based on the results of market analysis indicating the need to review either a specific line of business or specific business practices, including, but not limited to, underwriting and rating, [tier classification,] marketing and sales, complaint handling, operations or management, advertising materials, licensing, policyholder services, [non-forfeitures] nonforfeitures, claims handling, policy forms and filings, or [compliance procedures and policies] any other area of review in the NAIC Market Regulation Handbook. A targeted examination may be conducted by desk examination or by an on-site examination; and/.

[(T) "Warrant," a written order of the director commanding the division to conduct a market conduct examination.]

AUTHORITY: sections 374.045, 374.185, and 374.202–374.207, RSMo 2016. Original rule filed April 1, 2008, effective Nov. 30, 2008. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

Division 100—Insurer Conduct Chapter 8—Market Conduct Examination

PROPOSED AMENDMENT

20 CSR 100-8.005 Examination Warrants. The director is amending the purpose statement, sections (1), (2), and (3), adding a new paragraph (2)(E)4., and deleting section (4).

PURPOSE: This amendment clarifies the rule by detailing with greater specificity the contents of an examination warrant.

PURPOSE: This rule implements the purposes of section 374.185, RSMo, and establishes uniform standards for the director in applying the discretion authorized in issuing examination warrants for market conduct examinations pursuant to sections 374.202 to 374.207, RSMo.

(1) The director is responsible for market regulation of insurers for Missouri policyholder protection and [shall] will utilize market conduct actions, including market analysis, investigation, desk examinations, targeted examinations, and comprehensive examinations of insurers or other companies. Such actions [shall] will be pursued by the division in a manner consistent with the purposes of section 374.185, RSMo.

(2) A market conduct examination *[shall]* will be conducted only upon the issuance of an **examination** warrant by the director or with the written consent of the insurer or company. In furtherance of the purposes of section 374.185, RSMo, and to provide uniform standards designed to avoid arbitrary or capricious use of discretion in issuing examination warrants for market conduct examinations, the director *[shall]* will apply the following standards in evaluating factual support for a market conduct examination warrant:

(A) A request for an examination warrant need not be verified by oath, but *[must]* will contain the signature of the chief market conduct examiner, and *[shall]* state facts sufficient to support the director's reasonable belief of cause as set forth *[below]* in subsection (2)(B);

(B) The director may issue an **examination** warrant for—

1. A desk examination, if the director has reason to believe—

A. An insurer or other company may have engaged in, or taken a substantial step toward engaging in, or may have materially aided any other person in engaging in, any practice or course of business in violation of Chapter 287, Chapter 354, or Chapters 374 to 385, RSMo, or any rule adopted pursuant thereto, and the examination is reasonably calculated to provide data or other information relevant to this inquiry;

B. Significant changes have occurred in an insurer's or other company's market share during the last year for which an insurer cannot provide a satisfactory explanation;

C. Significant market changes threaten the availability or affordability of insurance coverage; or

D. An examination is required to be performed by law;

2. An on-site examination, if the director has reason to believe—

A. An insurer or other company has engaged in, is engaging in, has taken a substantial step toward engaging in, or has materially aided any other person in engaging in any practice or course of business in violation of Chapter 287, Chapter 354, or Chapters 374 to 385, RSMo, or any rule adopted pursuant thereto;

B. Significant market changes threaten the availability or affordability of insurance coverage; or

C. An examination is required to be performed by law;

(C) The evidence indicating that an insurer or other company has engaged in, is engaging in, has taken a substantial step toward engaging in, or has materially aided any other person in engaging in any practice or course of business in violation of Chapter 287, Chapter 354, or Chapters 374 to 385, RSMo, or any rule adopted pursuant thereto, *[shall]* will be derived from the following sources:

1. Information obtained from a market conduct annual statement, market survey, or report of financial examination;

2. *[A number of]* **Confirmed** complaint(s) against the company indicating a particular practice or a complaint ratio that deviates significantly from the norm *[(a complaint ratio shall be established for each line of business)]*;

3. Information obtained from other objective sources; or

4. Information obtained from any credible source with direct access to relevant information;

(D) *[The scope of a warrant shall be reasonably limited by the cause supporting the issuance of the warrant. If additional cause is discovered, and the examiner seeks to expand the scope of the warrant, a request must be made to modify or expand the previously issued warrant or a new warrant must be issued by the director; and]* An **examination** warrant will be reasonably limited in scope to the specific line(s) of business, the specific business practice(s), and the time period to be examined, as identified in the examination warrant. If additional cause is discovered, which leads the examiner to believe additional lines of business, additional business practices, or additional time periods need to be examined, or if the examiner believes a different method of examination needs to be employed, a request to modify or expand the previously issued examination warrant or for a new examination warrant will be made to the director who may issue a new or modified warrant. The identification of

additional laws violated does not necessitate a request to modify or expand a previously issued warrant; and

(E) An examination warrant *[shall]* will—

1. Be in writing and in the name of the department;

2. Be directed to the division;

3. Identify the scope of the examination by describing the specific line(s) of business *[or]*, the specific business practice(s) to be examined *[and a reasonable estimate of the duration of the examination]*, and the time period to be reviewed during the examination;

4. Identify the law(s) the director reasonably believes were violated and the cause that supports the director's determination to issue the examination warrant. The division is not precluded from pursuing or citing to other violations of law through the course of an examination that are not specified under the originally issued warrant. In identifying the cause, the examination warrant need only indicate a general category(ies) of information relied upon, including, but not limited to, complaint(s), complaint indices, market conduct annual statement(s), market share(s), financial examination(s), information from other states, legal referral(s), premium shift in line(s) of business, statistical information, market conduct examination results, new operation(s), reexamination(s), and/or evaluation(s) of new laws;

[4.]5. Identify whether the examination will be conducted as a desk examination, an on-site examination, or both; and

[5.]6. Be signed by the director.

(3) An **examination** warrant *[shall]* will be served on the insurer or other company prior to commencing the market conduct examination.

(4) *[The warrant authorizes one (1) or more examiners designated by the director to perform the examination and shall instruct them as to the scope of the examination.]* In conducting the examination, the examiner *[shall]* will observe those guidelines and procedures set forth in the Market Regulation Handbook adopted by the National Association of Insurance Commissioners (NAIC). *[The division may also employ such other guidelines or procedures as the director may deem appropriate not inconsistent with the provisions of this chapter.]*

AUTHORITY: sections 374.045, 374.185, and 374.202–374.207, RSMo 2016. Original rule filed April 1, 2008, effective Nov. 30, 2008. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 100—Insurer Conduct
Chapter 8—Market Conduct Examination**

PROPOSED AMENDMENT

20 CSR 100-8.008 Hearing on *Examination Warrants*. The director

is amending the rule title, purpose statement, and sections (1) and (2).

PURPOSE: This amendment clarifies the rule by correctly referencing statutory authority, expands the grounds upon which an insurer may challenge an examination warrant, and provides that a reviewing court may stay the execution of an examination warrant upon judicial appeal of an administrative ruling affirming the issuance of an examination warrant.

PURPOSE: This rule [implements the purposes of section 374.055, RSMo, and] establishes procedures for a hearing conducted to review cause to issue a market conduct examination warrant pursuant to sections 374.202 to 374.207, RSMo.

(1) Any insurer or other company served with an **examination** warrant may request a hearing before the director within fifteen (15) days of the date of service of the **examination** warrant. If a hearing is requested, the director [shall] **will** schedule an expedited hearing within twenty (20) days of the request to review whether the [division established] **director a) had a reasonable belief of cause to issue the examination warrant; or b) had a reasonable belief supporting the time period set forth in the examination warrant, if longer than three (3) years.** The director may issue orders necessary to protect the identity of a confidential source. The director may vacate, set aside, modify, or affirm the **examination** warrant.

(2) If the director fails to make a final determination within twenty (20) days of the hearing, the **examination** warrant is deemed affirmed and may be executed, and the administrative determination is final for purposes of review. Any final determination of the director is subject to judicial review [under section 374.055, RSMo, Chapter 536, RSMo, and 20 CSR 800-1.100] pursuant to **section 536.100, RSMo**, but during the pendency of judicial review, the execution of the **examination** warrant shall not be delayed and is enforceable [as provided by law], **unless stayed by a reviewing court pursuant to section 536.120, RSMo.**

AUTHORITY: sections 374.045, 374.205, and 374.207, RSMo [2000] 2016 [and section 374.055, RSMo Supp. 2007]. Original rule filed April 1, 2008, effective Nov. 30, 2008. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 100—Insurer Conduct
Chapter 8—Market Conduct Examination**

PROPOSED RESCISSION

20 CSR 100-8.010 Standards of Examinations. This rule set out the scope of the rules in this chapter and provided definitions to aid

in the interpretation of the rules in this chapter.

PURPOSE: This rule is being rescinded because it duplicates provisions in other regulations and in Section 374.205 RSMo.

AUTHORITY section 374.045, RSMo 2000. Original rule filed Nov. 1, 2007, effective July 30, 2008. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 100—Insurer Conduct
Chapter 8—Market Conduct Examination**

PROPOSED RESCISSION

20 CSR 100-8.012 Timing of Examinations. This rule implemented the purposes of section 374.185, RSMo, and established uniform standards for the timing of market conduct examinations pursuant to sections 374.202 to 374.207, RSMo.

PURPOSE: This rule is being rescinded because its provisions have been incorporated in other rules and because some of its provisions are duplicative of Section 374.205 RSMo.

AUTHORITY sections 374.045 and 374.205, RSMo 2000 and section 374.185, RSMo Supp. 2007. Original rule filed April 1, 2008, effective Nov. 30, 2008. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 100—Insurer Conduct
Chapter 8—Market Conduct Examination**

PROPOSED AMENDMENT

20 CSR 100-8.014 Collaborative Actions. The director is amending sections (1), (2), (3), and (4), subsections (1)(A), (1)(B), (1)(C), and paragraphs (1)(B)2. and (1)(B)3.

PURPOSE: This amendment clarifies and simplifies the language.

(1) To provide uniform standards designed to avoid arbitrary or capricious use of discretion in issuing warrants for market conduct examinations, the director *[shall]* will apply the following standards in evaluating factual support for a warrant when another jurisdiction is considering conducting a market conduct examination or has issued a market conduct report for an examination that has been conducted within the last three (3) years:

(A) In lieu of issuing an **examination** warrant for a market conduct examination, the director may delegate responsibility for conducting an examination of a domestic company, foreign company, or an affiliate of a company to the insurance commissioner of another jurisdiction if that insurance commissioner agrees to accept the delegated responsibility for the examination, and the domestic company, foreign company, or affiliate has a significant number of policies or significant premium volume in that jurisdiction. If the director elects to delegate responsibility for examining a company, the division *[shall]* will accept a report of the examination prepared by the insurance commissioner to whom the responsibility has been delegated;

(B) In lieu of requesting an **examination** warrant by the director and conducting a market conduct examination of a company, the division *[shall]* will accept a report of a market conduct examination on such company prepared by the insurance commissioner of the company's jurisdiction or state of domicile or another jurisdiction state if the director has determined—

1. The laws of that jurisdiction applicable to the subject of the examination are substantially similar to those of this state;
2. The examining jurisdiction has a market conduct analysis and examination system comparable to the system *[required]* set forth under Chapter 7 of this division; and
3. The examination from the other jurisdiction's commissioner has been conducted within the past three (3) years; and

(C) Notwithstanding the above provisions, if the insurance commissioner to whom the examination responsibility was delegated, or the report of a market conduct examination prepared by the insurance commissioner of another jurisdiction, did not evaluate the specific area or issue of concern to the director or a specific requirement of Missouri law, the director may issue an **examination** warrant for a targeted examination to evaluate that specific area or issue of concern.

(2) Subject to a determination under this rule, if a market conduct examination conducted by another jurisdiction results in *[a finding that an insurer or other company should modify]* modification of a specific practice or procedure, the director *[shall]* will accept documentation that the company has made a similar modification in this state, in lieu of initiating a market conduct action or examination related to that practice or procedure. In order to protect the interests of consumers, policyholders, and claimants of this state, the director may initiate such other enforcement action as is necessary to assure compliance with the laws and regulations of this state. The director may require other or additional practice or procedure modifications as are necessary to achieve compliance with specific state laws or regulations, which differ substantially from those of the examining jurisdiction.

(3) If at any time prior to or during an examination it is brought to the attention of the examiner-in-charge that the insurer or other company has modified such practice or procedure as a result of a market conduct action taken by the commissioner of another jurisdiction, the examiner-in-charge *[shall]* will accept documentation that the company has satisfactorily modified the practice or procedure and made similar modification to such practice or procedure in this state. In

order to protect the interests of consumers, policyholders, and claimants of this state, the director may initiate such other enforcement action as is necessary to assure compliance with the laws and regulations of this state.

(4) If the insurer or other company to be examined is not a domestic company, the director, upon issuance of an examination warrant, *[shall]* will communicate with and may coordinate the examination with the insurance commissioner of the jurisdiction or state in which the company is domiciled.

AUTHORITY: sections 374.045, 374.185, 374.205, and 374.207, RSMo [2000 and Supp. 2007] 2016. Original rule filed April 1, 2008, effective Nov. 30, 2008. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 100—Insurer Conduct
Chapter 8—Market Conduct Examination**

PROPOSED AMENDMENT

20 CSR 100-8.015 Notice of Examination. The director is amending the purpose statement and section (2), deleting section (1) and subsections (1)(A), (1)(B), (1)(C), (1)(D), (1)(E), (1)(F), (1)(G), and (1)(H), and adding new sections (1), (2), (3), and subsections (2)(A), (2)(B), (2)(C), (2)(D), (2)(E), (2)(F), (2)(G), and (2)(H).

PURPOSE: This amendment restructures the rule adding clarity and simplicity to information provided to an insurance company subject to a market conduct examination warrant.

PURPOSE: This rule implements the purposes of section 374.185, RSMo, and establishes uniform standards for providing notice of a[n on-site] market conduct examination to the insurer and reporting the examination warrant to the National Association of Insurance Commissioners (NAIC)[, along with a procedure for encouraging resolution prior to incurring unnecessary examination expenses].

[(1) The director shall announce to the applicable company an examination and shall post an announcement of such examination on the National association of Insurance Commissioners (NAIC's) examination tracking system, or comparable NAIC product, as determined by the director, subject to the NAIC's technological constraints, as soon as possible, but in no case later than sixty (60) days before the estimated commencement of the examination. The director may reduce the sixty (60)-day notice if the director has determined that the company has engaged in or is engaging in any practice or course of business in violation of Chapter

287, Chapter 354, or Chapters 374 to 385, RSMo, and the sixty (60)-day notice would result in continuing injury to consumers. In the event that the notice period is reduced to less than sixty (60) days, the company is entitled to an expedited hearing as allowed by 20 CSR 100-8.008. A warrant issued under 20 CSR 100-8.005 may be incorporated to provide some of the information required in this notice, but such announcement shall contain—

(A) The name and address of the insurer or company being examined;

(B) The name and contact information of the audit manager;

(C) The reason for and the scope of the examination;

(D) The date the examination is scheduled to begin;

(E) Identification of any personnel not employed by the department who will assist in the examination, if known at the time the notice is prepared;

(F) A time estimate for the examination;

(G) A budget and work plan for the examination and identification of reasonable and necessary costs and fees that will be included in the bill, if the cost of the examination is billed to the insurer company; and

(H) A request for the insurer company to name its examination coordinator.]

(1) The notice of examination and the examination warrant issued under 20 CSR 100-8.005 will be provided to the insurer at least sixty (60) days before the estimated commencement of the examination. The director may reduce the sixty (60) day notice if the director has determined that the company has engaged in or is engaging in any practice or course of business in violation of Chapter 287, Chapter 354, or Chapters 374 to 385, RSMo, and the sixty (60) day notice would result in continuing injury to consumers. In the event that the notice period is reduced to less than sixty (60) days, the company is entitled to an expedited hearing as allowed by 20 CSR 100-8.008.

(2) The notice of examination will contain—

(A) The name and address of the insurer or company being examined;

(B) The name and contact information of the audit manager;

(C) The reason for and the scope of the examination;

(D) The date the examination is scheduled to begin;

(E) Identification of any personnel not employed by the department who will assist in the examination, if known at the time the notice is prepared;

(F) A time estimate for the examination;

(G) A budget and work plan for the examination and identification of reasonable and necessary costs and fees that will be included in the bill, if the cost of the examination is billed to the insurer company; and

(H) A request for the insurer company to name its examination coordinator.

(3) The director will post the notice of such examination on the NAIC's Market Actions Tracking System, or successor NAIC system.

[(2)](4) [The company shall be notified of any practice or procedure which is to be the subject of an examination warrant.] Prior to commencing any examination, the company shall be given an opportunity to resolve such matters that arise as a result of a market analysis to the satisfaction of the director through informal resolution, settlement agreement, curative order, or other formal resolution under sections 374.046 to 374.049, RSMo.

AUTHORITY: sections 374.045, 374.185, 374.205, and 374.207, RSMo [2000 and Supp. 2007] 2016. Original rule filed April 1,

2008, effective Nov. 30, 2008. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

Division 100—Insurer Conduct

Chapter 8—Market Conduct Examination

PROPOSED AMENDMENT

20 CSR 100-8.018 Post-Examination Procedure. The director is amending sections (1), (2), and (3), subsections (1)(A), (1)(B), (1)(C), (1)(D), (1)(E), (1)(F), and (1)(G), and deleting section (4), subsection (1)(B), and paragraphs (1)(G)1., (1)(G)2., and (1)(G)3..

PURPOSE: This amendment updates obsolete language and clarifies standards for completion of the examination, final report, and investigatory hearings.

(1) The post-examination procedure [shall] will be conducted in a manner consistent with the purposes of section 374.185, RSMo. In accordance with the National Association of Insurance Commissioners (NAIC) market conduct uniform examination procedures and section 374.205, RSMo, the director [shall require] will adhere to the following timelines and procedures following the completion of an examination, unless the division and the company mutually agree to modify the timeline:

(A) No later than sixty (60) days following completion of the examination, the examiner-in-charge or audit manager [shall] will file with the department a verified draft report of examination under oath. Completion of the examination will be defined as the date the examiner-in-charge signs and submits the draft report to the audit manager for approval and signature;

(B) Within ten (10) days of receipt of the verified draft report, the [department shall] division will send the draft report via certified mail to the company together with a notice which [shall] affords the company examined a reasonable opportunity to respond with written comments or make a written submission or rebuttal with respect to any matter contained in the examination report;

[(B) Completion of the examination shall be defined as the date the examiner-in-charge signs and submits the draft report to the audit manager for approval and signature.]

(C) The company is not obligated to submit written comments, submissions, or rebuttals to the draft report as allowed in subsection (1)(A)/(B) of this rule. However, if the company chooses to do so, its [shall respond with] written [comments] response is due within thirty (30) days of receipt of the draft report, unless a mutual agreement is reached with the [department] division to extend the deadline;

(D) The division [shall] will make a good faith effort to informally resolve issues and prepare a final report [within thirty (30) days

of] after receipt of the company's written comments, submissions, or rebuttals, unless a mutual agreement is reached to extend the deadline];

(E) The division may modify the examination findings and finalize the report, as appropriate. Upon determination that the report is final, the division [shall] will forward a copy of the final report to the company along with a notice apprising the company of its rights under subsection (1)(F), below;

(F) The company [shall] may, within thirty (30) days of receipt of the final report, accept the final report, accept the findings of the report, file written comments, or petition the director to modify the findings with a written request for a confidential investigatory hearing pursuant to section 374.205.3(3)(c). The company is not obligated to submit a response to the final report. The director may allow an additional thirty (30) days if requested by the company. [Any petition to modify the findings with] If the company submits a written request for a hearing [request shall be made in writing] within the time allowed, [and] a hearing [shall] will be held in accordance with the process in section 374.205.3(4), RSMo. [After a hearing the director shall issue final examination findings] Within twenty (20) days of the conclusion of the hearing, the director will issue an order pursuant to section 374.205.3(3)(a), RSMo; and

(G) If a hearing pursuant to subsection (1)(F) above is not requested, [W]within thirty (30) days of the end of the period allowed for the receipt of an acceptance or comments by the company [or following a hearing], the director [shall] will fully consider and review the report, together with any written comments, [and] any relevant portions of the examiner's work papers, and any proposed settlement, and enter an order[:] pursuant to section 374.205.3(3)(a), (b) or (d).

1. Accepting the examination report as filed or with modification or corrections. If the examination report reveals that the company is operating in violation of any law, regulation, or prior order of the director, the director may issue an order for any legal or regulatory action as the director deems appropriate, provided that this order shall be a confidential internal order directing the department to take certain action, or the company and the division may negotiate a consent order, curative order, or settlement agreement. Any such order or agreement shall be final once issued or approved by the director;

2. Rejecting the examination report with directions to the examiners to reopen the examination for purposes of obtaining additional documents, data, information, and requiring the submission of either a new report or a supplemental report; or

3. For an investigatory hearing with no less than twenty (20) days' notice to the company for purposes of obtaining additional documents, data, information, and testimony.]

(2) [Once all administrative proceedings regarding the examination pursuant to subsections (1)(F) and (1)(G) are final] Ten (10) days after adoption of the final examination report pursuant to section 374.205.3(3)(a), the department [shall] will make available written and electronic versions of the final report. Both versions of the final report [shall] will include [the company's] any written response of the company, [if any] at its option, and any negotiated text of the examination report and the concluding document, whether that is an administrative order of the director, curative order of the director, or a stipulation of settlement and order.

(3) All orders entered pursuant to section 374.205.3(3)(a) under subsections (1)(F) or (1)(G) [shall] will be accompanied by findings and conclusions resulting from the director's consideration and review of the examination report, relevant examiner work papers, and any written submissions, rebuttals, or comments, if any submitted by the company. [A finding] Any order issued pursuant to section 374.205.3(3)(b), (c), or (d) under subsections (1)(F) or (1)(G)

[shall] will not be considered a final order. Any order issued pursuant to section 374.205.3(3)(a) under [paragraph] subsections (1)(F) or (1)(G)[1. shall] will be considered a final administrative decision and may be appealed pursuant to section [374.055] 536.150, RSMo, [Chapter 536, RSMo, and 20 CSR 800-1.100] and [shall] will be served upon the company by certified mail, together with a copy of the final examination report. [Within thirty (30) days of the issuance of the final findings, as outlined in subsection (1)(G), the company shall file affidavits executed by each of its directors stating under oath that they have received a copy of the final report and related orders.]

[(4) In conducting an investigatory hearing pursuant to paragraph (1)(G)3. —

(A) The hearing shall proceed expeditiously with discovery by the company limited to the examiner's work papers which tend to substantiate any assertions set forth in any written submission or rebuttal.

(B) The director may issue subpoenas for the attendance of any witnesses or the production of any documents deemed relevant to the investigation whether under the control of the department, the company, or other persons. The documents produced shall be included in the record, and testimony taken by the director shall be under oath and preserved for the record.

(C) The provisions of this section shall not require the director to disclose any information or records which would indicate or show the existence of any investigation or activity of a criminal justice agency.

(D) The division shall proceed with evidence, including representatives of the company. Thereafter, the company may present testimony relevant to the investigation.

(E) The company and the division shall be permitted to make closing statements.]

AUTHORITY: sections 374.045, 374.185, 374.205, and 374.207, RSMo [2000 and Supp. 2007] 2016. Original rule filed April 1, 2008, effective Nov. 30, 2008. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 100—Insurer Conduct
Chapter 8—Market Conduct Examination**

PROPOSED RESCISSION

20 CSR 100-8.020 Sampling and Error Rates. This rule effectuated and aided in the interpretation of sections 375.1007, 375.445 and 375.936(6), RSMo regarding detection of frequency to indicate a business practice under the Unfair Claims Settlement Practices Act or conducting business fraudulently, not in good faith or in a manner constituting misrepresentations or false advertising.

PURPOSE: This rule is being rescinded because it is outdated and unnecessary in that it is duplicative of provisions contained in other rules and statutes.

AUTHORITY sections 374.045, 375.948 and 375.1018, RSMo 2000. Original rule filed Nov. 1, 2007, effective July 30, 2008. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 200—Insurance Solvency and Company
Regulation**

Chapter 10—Managing General Agent (MGA)

PROPOSED AMENDMENT

20 CSR 200-10.100 [Who Must File] MGA Filing Requirements. The director is amending sections (1)-(2), amending the rule title, and amending the purpose statement.

PURPOSE OF AMENDMENT: This amendment clarifies the rule and removes duplicative language.

PURPOSE: This rule implements and administers sections 375.147–375.153, RSMo regarding [who must file] MGA filing requirements.

(1) *[Who Must File] Insurer Filings.* An insurer must file the documents [required] listed under 20 CSR 200-10.200 for appointment of a managing general agent (MGA), if the insurer is—

(A) A foreign insurer holding a certificate of authority to transact insurance business in this state and has any person, firm, association, or corporation who with respect to any risk or risks located in this state produces, directly or indirectly, and underwrites an amount of gross premium equal to or more than five percent (5%) of the policyholder surplus as reported in any one (1) quarter or year together with one (1) or both of the following:

1. Adjusts or pays claims in excess of one thousand dollars (\$1,000) per claim or five percent (5%) of the insurer’s policyholders’ surplus in the aggregate per year; or

2. Negotiates reinsurance on behalf of the insurer; or

(B) Domiciled in this state and has any person, firm, association, or corporation who produces, directly or indirectly, and underwrites an amount of gross premium equal to more than five percent (5%) of the policyholders’ surplus as reported in any one (1) quarter or year together with one (1) or both of the following:

1. Adjusts or pays claims in excess of one thousand dollars (\$1,000) per claim or five percent (5%) of the insurer’s policyholders’ surplus in the aggregate per year; or

2. Negotiates reinsurance on behalf of the insurer.

(2) Exceptions. *[Notwithstanding the provisions of section (1)*

of this rule, no insurer need file for appointment as an MGA any of the following persons:

(A) An employee of the insurer;

(B) A manager of the United States branch of an alien insurer;

(C) An underwriting manager which, pursuant to contract, manages all the insurance operations of the insurer, is under common control with the insurer and has its transactions with the insurer subject to the provisions of Chapter 382, RSMo;

(D) A person acting solely as a third-party administrator and who is registered under section 375.925, RSMo; and

(E) The authorized attorney-in-fact acting on behalf of subscribers of a reciprocal or interinsurance exchange.] The exceptions provided under the definition of “managing general agent” in section 375.147, RSMo apply to this rule.

AUTHORITY: sections 374.045 and 375.153, RSMo [2000] 2016. This rule was previously filed as 4 CSR 190-II.340(1) and (2). Original rule filed Jan. 22, 1991, effective July 8, 1991. Amended: Filed June 16, 1992, effective Feb. 26, 1993. Amended: Filed Aug. 29, 2003, effective Feb. 29, 2004. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 200—Insurance Solvency and Company
Regulation**

Chapter 10—Managing General Agent (MGA)

PROPOSED AMENDMENT

20 CSR 200-10.300 [What Must Be Certified and Filed Annually] Annual Certification and Filing. The director is amending section (1), amending the rule title, and amending the purpose statement.

PURPOSE OF AMENDMENT: This amendment clarifies the rule, creates an alternative to the annual CPA audit, and removes a reference to 20 CSR 200-10.500 that will no longer be accurate when Form MGA-3 is removed from that rule.

PURPOSE: This rule implements and administers sections 375.147–375.153, RSMo regarding [what must be certified and filed annually] annual certification and filing.

(1) *[What Must be Certified and Filed Annually] Annual Certification and Filing.* Each insurer which has appointed a managing general agent (MGA) annually each January 1 shall—

(A) Certify the existence or performance of the continued obligations imposed by section 375.150, RSMo by filing for each appointed MGA a completed certification on Form MGA-3 [(see 20 CSR

200-10.500]); and

(B) File a copy of the report of the most recent annual independent financial examination of the MGA, which may be satisfied by either an audit by a certified public accountant, or in some other form approved by the director. [The independent financial examination shall be an audit by a certified public accountant.]

AUTHORITY: sections 374.045], RSMo 1986] and 375.153, RSMo [Supp. 1990] 2016. This rule was previously filed as 4 CSR 190-II.340(4). Original rule filed Jan. 22, 1991, effective July 8, 1991. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 200—Insurance Solvency and Company
Regulation
Chapter 10—Managing General Agent (MGA)**

PROPOSED AMENDMENT

20 CSR 200-10.400 Termination of Appointment. The director is amending the rule.

PURPOSE: This amendment removes a reference to 20 CSR 200-10.500 that will no longer be accurate when Form MGA-4 is removed from that rule.

Termination of Appointment. Within thirty (30) days after the termination of appointment of a managing general agent (MGA), an insurer shall complete and file Form MGA-4 [(see 20 CSR 200-10.500)].

AUTHORITY: sections 374.045], RSMo 1986] and 375.153, RSMo [Supp. 1990] 2016. This rule was previously filed as 4 CSR 190-II.340(5). Original rule filed Jan. 22, 1991, effective July 8, 1991. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 200—Insurance Solvency and Company
Regulation
Chapter 10—Managing General Agent (MGA)**

PROPOSED AMENDMENT

20 CSR 200-10.500 Forms [and Fees]. The director is amending section (1), deleting section (2), amending the rule title, amending the purpose statement, and deleting the four (4) forms which follow the rule in the *Code of State Regulations*.

PURPOSE: This amendment modernizes the rule, removes outdated forms, and removes language that conflicts with statutory requirements.

PURPOSE: This rule implements and administers sections 375.147–375.153, RSMo regarding forms [and fees].

(1) The forms [referred to] referenced in this chapter may be obtained from the [Department of Insurance] department's website or by contacting the department, and may be freely copied.

[(2) Fees. Documents filed pursuant to this chapter shall be accompanied by the fee set forth in section 374.230(6), RSMo. This fee will be charged for the filing of the appointment form (MGA-1) and the certification form (MGA-3). This fee will not be charged for the filing of the other forms.]

AUTHORITY: sections 374.045], RSMo Supp. 1998] and 375.153, RSMo [1994] 2016. This rule was previously filed as 4 CSR 190-II.340(6). Original rule filed Jan. 22, 1991, effective July 8, 1991. Amended: Filed April 23, 1999, effective Nov. 30, 1999. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 200—Insurance Solvency and Company
Regulation
Chapter 11—Control and Management of Insurance
Companies**

PROPOSED AMENDMENT

20 CSR 200-11.120 Material Transactions Between Affiliates Under Section [382.050.1(5)] 382.195.1(7), RSMo. The director is amending sections (1), (2), and (4), and creating a new section (3), renumbering as necessary, amending the rule title, and amending the purpose statement.

PURPOSE: This amendment corrects an error in the rule title, modernizes the rule, and removes unnecessary language.

PURPOSE: This rule specifies certain material transactions involving a domestic insurer and any person in its holding company system, which transactions [may] are not to be entered into unless the insurer has notified the director in writing of its intention to enter into such a transaction at least thirty (30) days prior thereto, or such shorter period as the director may permit, and the director has not disapproved such transaction.

(1) The transactions specified within or under section (2) of this rule constitute material transactions which the director determines may adversely affect the interests of the insurer's policyholders within the meaning of section [382.195.1(5)] **382.195.1(7)**, RSMo.

(2) [Each of the following transactions] Any agreement, arrangement, or contract, except for those agreements, arrangements, or contracts covered by subdivisions (1) through (6) of section **382.195.1**, RSMo, in which the consideration to or from or anticipated to or from the domestic insurer has a value exceeding one-half of one percent (0.5%) of the domestic insurer's admitted assets as of the thirty-first day of December next preceding, involving a domestic insurer and any person in its insurance holding company system, including amendments or modifications of affiliate agreements previously filed under section **382.195**, RSMo, shall [may] not be entered into unless the insurer has notified the director in writing through use of Form D to 20 CSR 200-11.101 of its intention to enter into such transaction at least thirty (30) days prior thereto, or such shorter period as the director may permit, and the director has not disapproved it within such period (see section 382.195.1, RSMo). [:

(A) Any tax allocation agreement, arrangement or contract; and

(B) Any other agreement, arrangement, or contract, except for those agreements, arrangements or contracts covered by subsection (2)(A) of this rule or subdivisions (1) through (4) of section 382.195.1, RSMo, in which the consideration by or from or anticipated by or from the insurer has a value exceeding one-half of one percent (0.5%) of the insurer's admitted assets as of the thirty-first day of December next preceding.]

(3) Section **382.195.1**, RSMo requires that the notice for amendments or modifications include the reasons for the change and the financial impact on the domestic insurer.

[(3)](4) A domestic insurer [may] shall not enter into transactions, whether described in section (2) of this rule or subsection 1. of section 382.195, RSMo, which are part of a plan or series of like transactions with persons within the insurance holding company system if the purpose or effect of those separate transactions is to avoid the statutory or regulatory threshold amount and thus avoid the review that would occur otherwise. If the director determines that such separate transactions were entered into over any twelve- (12-)/- month period for such purpose, the director may exercise the director's authority under section 382.265, RSMo.

AUTHORITY: sections 374.045 and 382.195, RSMo [2000] 2016. Original rule filed June 14, 2001, effective Dec. 30, 2001. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**
**Division 200—Insurance Solvency and Company
Regulation**
**Chapter 11—Control and Management of Insurance
Companies**

PROPOSED AMENDMENT

20 CSR 200-11.130 Materiality, Fairness, and Reasonableness of Certain Affiliated Transactions. The director is amending sections (1), (3), and (4), and amending the purpose statement.

PURPOSE: This amendment modernizes the rule and removes unnecessary language.

PURPOSE: The purpose of this rule is to carry out the provisions of section 382.190, RSMo [2000]. Specifically, this rule provides the standards by which the director will determine whether a transaction is material for purposes of section 382.190(1) and (2), RSMo, whether the terms of material transactions between a registered insurer and its affiliates are "fair and reasonable" for purposes of section 382.190(1), RSMo, and whether charges or fees for services are "reasonable" for purposes of section 382.190(2), RSMo.

(1) A transaction is a "material transaction" for purposes of section 382.190(1) and (2), RSMo, if:

(A) It involves a registered insurer and one (1) or more of its affiliates; and

(B) Such transaction, including amendments or modifications to an existing material transaction:

1. Involves more than one-half of one percent (0.5%) of such insurer's admitted assets as of the thirty-first day of December next preceding the transaction; or

2. Is part of a plan or series of like transactions with persons within the same holding company system as such insurer and the purpose or effect of such transactions is to avoid the threshold established in paragraph 1 of subsection (B) of this section and thus avoid the review that would otherwise occur.

(3) Standards for Charges, Fees and Other Consideration:

(A) For Services.

1. The charges, fees, or other consideration[,/] paid by the registered insurer to an affiliate for a service shall not exceed the direct cost to the registered insurer. "Direct cost" means the expenses and costs to the registered insurer of directly performing substantially the same service for itself. The direct cost [shall be] is determined by consistently applied, objectively verifiable, generally recognized, internal accounting practices.

2. If and only if the registered insurer cannot determine its direct cost, the charge or fee paid by the registered insurer to an affiliate for a service shall not exceed the cost of obtaining substantially the same service on the open market. A service is obtained on the open market where the service is obtainable from a person[:/]

A. Who is not affiliated with the insurer; and

B. Either[:/]

(1) Whose cost to the insurer represents the lowest and best bid for such service, such bid having been submitted in response to

a request for proposal in a competitive bidding process approved by the director; or

(II) Whose cost to the insurer represents a price that is, with respect to substantially the same service, typical of the price paid by other persons who are affiliated with neither the vendor nor the insurer.

(B) For Assets or Goods. The charges, fees, or other consideration[,] paid by the registered insurer to an affiliate for an asset or good shall not exceed the cost of obtaining substantially the same asset or good on the open market. An asset or good is obtained on the open market where the [service] asset or good is obtainable from a person[:]-

1. Who is not affiliated with the insurer; and
2. Either[:]-

A. Whose cost to the insurer represents the lowest and best bid for such asset or good, such bid having been submitted in response to a request for proposal in a competitive bidding process approved by the director; or

B. Whose cost to the insurer represents a price that is, with respect to substantially the same asset or good, typical of the price paid by other persons who are affiliated with neither the vendor nor the insurer.

(C) Notwithstanding the provisions of subsections (A) and (B) of this section, a transaction between a registered insurer and its affiliate/s/ will be deemed fair and reasonable[,] if the transaction is the direct result of a winning bid submitted by the affiliate in a competitive bidding process that has been approved by the director.

(4) The director [shall] will presume that a material transaction is fair and reasonable[,] if such material transaction complies with the standards set forth in section (3) of this rule. The director [shall] will presume that a material transaction is neither fair nor reasonable[,] if such material transaction does not comply with the standards set forth in section (3) of this rule. Any person may seek during the appropriate administrative proceeding (e.g., a Form D or an examination) to rebut a presumption created by this section, but evidence relating to whether a transaction is fair or reasonable will be viewed with a bias in favor of the applicable presumption.

AUTHORITY: sections 374.045 and 382.240, RSMo [2000] 2016. Original rule filed Dec. 4, 2001, effective June 30, 2002. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 200—Insurance Solvency and Company
Regulation**

**Chapter 11—Control and Management of Insurance
Companies**

PROPOSED AMENDMENT

20 CSR 200-11.150 Dividends. The director is amending sections (1)-(2).

PURPOSE: This amendment modernizes the rule and removes unnecessary language.

(1) Constructive Dividends.

(B) From the payments or other distributions under subsection (1)(A) of this rule:

1. There [shall be] is allowed as a deduction all the ordinary and necessary expenses paid or incurred in carrying on any trade or business, including:

A. A reasonable allowance for salaries or other compensation for personal services actually rendered;

B. Traveling expenses (including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) while away from home in the pursuit of a trade or business; and

C. Rentals or other payments [required to be] made as a requisite condition to the continued use or possession, for purposes of the trade or business, of property to which the insurer has not taken or is not taking title or in which it has no equity[:]; and

2. There [shall be] is allowed as a deduction, but only to the extent not deducted under paragraph (1)(B)1. of this rule, the fair market value of any property, to which the insurer has taken or is taking title or in which it has equity, received in consideration of that payment or other distribution.

(C) As used in this section of this rule the following terms mean:

1. Insurer means only a stock insurance company organized under the laws of Missouri; except a foreign insurance company [shall be] is deemed an insurer if the laws of the foreign insurer's state of domicile do not include provisions substantially similar to sections 382.010–382.300, RSMo;

2. Property means money, securities, and other property; except that this term does not include stock in the insurer making the distribution (or rights to acquire the stock); and

3. Shareholder means any person directly or indirectly owning or controlling stock in an insurer.

(D) A shareholder's interest in a partnership, estate, or trust, and a shareholder's stock in a corporation, includes the interests or stock owned by the shareholder's spouse, children, grandchildren, or parents, as qualified under paragraphs (1)(D)2. and 3. of this rule. A payment or other distribution to a partnership, estate, or corporation includes any payment or other distribution to any entity controlled by that partnership, estate, or corporation. For purposes of this section of this rule, a payment or other distribution is attributable to a shareholder[,] if it is made—

1. Directly to the shareholder;

2. To the shareholder's spouse (other than a spouse who is legally separated from the shareholder under a decree of divorce or separate maintenance);

3. To the shareholder's children, grandchildren, or parents (a legally adopted child [shall be] is treated as a child by blood);

4. To a partnership or estate, in proportion to the shareholder's interest in the partnership or estate;

5. To a trust, in proportion to the shareholder's actuarial interest as a beneficiary of that trust; or

6. To a corporation, in proportion to the shareholder's stock in that corporation.

[(E) Notwithstanding any provision of this section to the contrary, payments or other distributions made or attributable to shareholders and undeclared as dividends by the insurer shall not be deemed a dividend, if and only if the total amount of all payments and distributions during a calendar year does not exceed one-half of one percent (1/2%) of the insurer's policyholders' surplus as of the December 31 next preceding. However, if that total amount exceeds the one-half of one percent (1/2%) of policyholders' surplus, then all these payments or distributions shall be fully subject to

subsections (1)(A)–(D) of this rule, including the amount which would otherwise have been exempt under this subsection.]

[(F) Nothing in this rule is intended to cause double counting of a transaction. To the extent a payment is a reduction in Net Gain from Operations before it is determined to be a constructive dividend it shall not be a reduction to Net Gain from Operations after the constructive dividend determination. Net Gain from Operations, and Policyholders' Surplus before the constructive dividend, will be recalculated making this adjustment before determining whether the company is in compliance with section 375.380 or 382.210, RSMo.]

(2) Surplus Profits.

(A) Surplus profits as used in section 375.380, RSMo [shall] means the amount stated in the company's financial statements as unassigned funds. A company has surplus profits only to the extent it has positive unassigned funds [adjusted for subsection (1)(F), if applicable].

[(B) Notwithstanding any other rule or National Association of Insurance Commissioners' guideline to the contrary, an insurer domiciled in this state may choose to reflect in the unassigned funds account only the company's accumulated net profits and losses. Any company so choosing shall—

1. Place all other items which would otherwise be placed into the unassigned funds in that policyholders' surplus account designated for other or aggregate write-ins for other than special surplus funds; and

2. Notify the chief financial examiner in writing of its choice at the same time as or before it files its first financial statement using this choice.

[(C) The election permitted by subsection (2)(B) of this rule may be elected once by the insurer. However, upon advance application by the insurer and prior approval by the director, an insurer may subsequently revert to its prior accounting treatment upon satisfying the director that extraordinary circumstances arising after the election justify such a reversion.]

AUTHORITY: sections 374.045 and 382.240, RSMo [1986] 2016. Original rule filed Feb. 18, 1993, effective Nov. 8, 1993. Amended: Filed Dec. 1, 1993, effective July 10, 1994. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 200—Insurance Solvency and Company
Regulation
Chapter 11—Control and Management of Insurance
Companies**

PROPOSED RESCISSION

20 CSR 200-11.300 Management Contracts to be Filed. This rule required each management contract to be filed with the director within five days after its execution. This rule was adopted pursuant to the provisions of section 374.045, RSMo and implemented section 375.164, RSMo.

PURPOSE: This rule is being rescinded because it is outdated and unnecessary.

AUTHORITY: sections 374.045 and 375.164, RSMo 1986. This rule was previously filed as 4 CSR 190-10.040. Original rule filed Aug. 5, 1974, effective Aug. 15, 1974. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 200—Insurance Solvency and Company
Regulation
Chapter 12—Missouri and Extended Missouri Mutual
Companies**

PROPOSED AMENDMENT

20 CSR 200-12.030 Extended Missouri and Missouri Mutual Companies' Financial Reinsurance Requirements. The director is amending section (2) and amending the purpose statement.

PURPOSE: This amendment updates the language of the rule.

PURPOSE: This rule effectuates and aids in the interpretation of sections 380.021.2. and 380.271, RSMo [2000], relating to the financial reinsurance requirements applicable to extended Missouri mutual companies organized under the provisions of sections 380.201–380.591, RSMo, and to Missouri mutual companies organized under the provisions of sections 380.011–380.151, RSMo.

(2) Surplus, as used in section (1) of this rule, [shall] means admitted assets minus liabilities in the amounts reported in the company's annual statement filed with the director each year.

AUTHORITY: sections 374.045, [RSMo Supp. 2011, and sections] 380.021, 380.271, and 380.561, RSMo [2000] 2016. Original rule filed Oct. 24, 1991, effective March 9, 1992. Amended: Filed Jan. 17, 2012, effective Jan. 1, 2013. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 200—Insurance Solvency and Company
Regulation**

Chapter 13—Real Estate

PROPOSED AMENDMENT

20 CSR 200-13.100 Appraisal Requirements. The director is amending sections (1) and (3) and amending the purpose statement.

PURPOSE: This amendment updates statutory references, relaxes a regulatory restriction, and gives meaning to an exemption that has not been useable since 1993.

PURPOSE: This rule upgrades the quality of real estate appraisals used by insurers by requiring appraisals that meet the same standards as those applicable to federally-regulated financial institutions. This rule effectuates or aids in the interpretation of sections 375.330, [376.300] 376.302, and 379.080, RSMo.

(1) Any real estate held as an investment for the production of income pursuant to section 375.330.1(7), RSMo, or any mortgage loan made pursuant to section [376.300.1(9)] **376.302** or 379.080.1(2)(f), RSMo, excluding purchase money mortgages as identified in section [376.300.1(9)] **376.302.1(1)(a)**, RSMo, may be held as an admissible asset only if the appraisal—

(A) Is made of real estate no more than one hundred [twenty (120)] **eighty (180)** days before the date the deed or mortgage is recorded in the appropriate public records;

(D) Is made by an individual who is—

1. On the national registry of state-certified and licensed appraisers who are eligible to perform appraisals in federally related transactions, which national registry is maintained pursuant to [United States P.L. 101-73, Title XI, Section 1103 (112 USC Section 3332)]; and

2. Certified or licensed to make the appraisal by the state in which the real estate is located.

(3) Notwithstanding any provision of section (1) of this rule to the contrary, an insurer may establish written procedures, approved by the company's board of directors, for the valuation of its real estate and mortgage loans, which [shall] **will** exempt the insurer from all of the provisions of section (1). The written procedures must be approved by the director. The director may review the insurer's compliance with these procedures. The director must be notified of any material changes to the written procedures. To be exempt under this section, an insurer's mortgage loan and real estate operations shall meet the following minimum standards:

(A) The insurer [shall] holds a combined mortgage loan and real estate portfolio valued at three hundred (300) million dollars or more;

(B) The insurer [shall] **has** established written procedures and obtained board approval and approval by the director [within one hundred twenty (120) days (August 6, 1993) of the effective date of this rule (April 8, 1993)];

(C) The insurer, as part of the written procedures, [shall] **has** established a reasonable system of valuation of its mortgage loans

and real estate which includes the following elements:

1. A system to value its real estate acquired through foreclosure for the purpose of establishing reserves or carrying values of the investments and for statutory accounting purposes;

2. A program for the training, education and certification of employees, at least one (1) of whom must be certified as described in paragraph (1)(D)1. of this rule, who conducts internal appraisals of investments, or a system involving the use of independent certified appraisers as described in paragraph (1)(D)1. of this rule. Any internal appraiser shall not be compensated, directly or indirectly, on the basis of the outcome of appraisals performed and shall have direct reporting access to the chief investment officer of the insurer; and

3. Carrying values for the foreclosed real estate shall be based upon the internal appraisal or an independent appraisal and the value of the guarantees or other credit enhancements related to the investment; and

(D) The audit report of the independent certified public accountant which prepares the audit of the insurer's annual statement shall contain findings by the auditor that—

1. The insurer has adopted valuation procedures meeting the requirements of section (3) of this rule;

2. The procedures adopted by the board of directors have been uniformly applied by the insurer in conformance with section (3) of this rule; and

3. The management of the insurer has an adequate system of internal controls.

AUTHORITY: section 374.045, RSMo [(1986)] 2016. Original rule filed Aug. 4, 1992, effective April 8, 1993. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 200—Insurance Solvency and Company
Regulation**

Chapter 13—Real Estate

PROPOSED AMENDMENT

20 CSR 200-13.200 Mortgage Loans as Admissible Assets. The director is amending sections (4) and (5) and amending the purpose statement.

PURPOSE: This amendment updates statutory references and removes unnecessary language.

PURPOSE: This rule effectuates or aids in the interpretation of sections [376.300(9)] 376.302 and 379.080.1(2)(f), RSMo.

(4) [Mortgage Loans as Admissible Assets Not Placed on Deposit With the Department of Insurance.] The following documents shall be maintained for each mortgage loan by all insurance

companies holding mortgage loans as admissible assets[, but not placing the mortgage loans on deposit with the Department of Insurance]:

(A) A current title policy or acceptable attorney's legal opinion;

(B) If so requested by the director of the Department of Insurance, **Financial Institutions and Professional Registration**, a current appraisal of mortgaged property made under the standards [required by] of 20 CSR 200-13.100;

(C) A certificate by county collector or affidavit by an officer of the insurance company that no property taxes are in arrears or a certification on the title policy or legal opinion that current taxes have been paid;

(D) A photograph of the subject property if improved;

(E) If subject property is improved, a fire insurance policy, a photocopy of the declarations page of the policy or an affidavit by an officer of the insurance company that fire coverage has been obtained or a photocopy of an insurance certificate by a loan correspondent;

(F) Any other document that the insurance company is directed to maintain by the director of the Department of Insurance, **Financial Institutions and Professional Registration**; and

(G) A copy of the written appraisal made under the standards of 20 CSR 200-13.100.

(5) [Each] The provisions of 20 CSR 200-4.010 are applicable to each of the documents [required to be maintained for mortgage loans] specified under the provisions of section (4) of this rule [shall be maintained in accordance with the provisions of 20 CSR 200-4.010].

AUTHORITY: sections 374.045, 376.170, 376.302, and [376.300, RSMo (1986) and] 379.080, RSMo [(Cum. Supp. 1989)] 2016. This rule was previously filed as 4 CSR 190-II.040(1)-(3), (5) and (6), and 20 CSR 200-1.090. Original rule filed Aug. 5, 1974, effective Aug. 15, 1974. Amended: Filed Jan. 25, 1991, effective July 8, 1991. Amended: Filed Aug. 4, 1992, effective April 8, 1993. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 200—Insurance Solvency and Company
Regulation
Chapter 13—Real Estate**

PROPOSED RESCISSION

20 CSR 200-13.300 Real Estate Held After Ten Years. This rule described the method by which a company may obtain from the director an extension of the ten-year limitation on holding title to real estate and describes the accounting procedures for property. This rule was adopted pursuant to the provisions of section 374.045, RSMo and implemented section 375.330, RSMo.

PURPOSE: This rule is being rescinded because it is redundant in light of subsection 5 of section 375.330, RSMo.

AUTHORITY: sections 374.045, RSMo (1986) and 375.330, RSMo (Cum. Supp. 1990). This rule was previously filed as 4 CSR 190-II.060 and 20 CSR 200-1.100. Original rule filed July 27, 1964, effective Aug. 7, 1964. Amended: Filed Dec. 5, 1969, effective Dec. 15, 1969. Amended: Filed Aug. 5, 1974, effective Aug. 15, 1974. Amended: Filed Aug. 4, 1992, effective April 8, 1993. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 200—Insurance Solvency and Company
Regulation**

**Chapter 14—Multiple Employer Self-Insured Health
Plans**

PROPOSED AMENDMENT

20 CSR 200-14.200 Renewal of Certificate of Authority. The director is amending sections (1) and (2).

PURPOSE: This amendment modernizes the rule, removes language duplicative of statutes, and allows for additional time to file an annual audited financial report in accordance with industry standards.

(1) An Application for Certificate of Authority form must be completed and submitted to the director of the Department of Insurance, **Financial Institutions and Professional Registration** by March 1 of each year, **along with the license fee prescribed by section 376.1005.2, RSMo**, in order to renew a multiple employer self-insured health plan's certificate of authority. [The renewal fee to accompany each renewal application shall be equal to two percent (2%) of the Missouri claims paid by the plan for the immediately preceding calendar year.]

(2) By March 1 of each calendar year, each multiple employer self-insured health plan must submit an annual [audited financial] report consisting of the **National Association of Insurance Commissioners health annual statement convention blank, as well as an annual audited financial report prepared in accordance with sections 375.1025-375.1062, RSMo**, and which include those items specified in section [376.1025] **376.1012(4), RSMo** showing the condition and affairs of the plan as of the preceding December 31. **A multiple employer self-insured health plan may request an extension to June 1 for filing the annual audited financial report, which will be granted for good cause shown.**

AUTHORITY: sections 374.045, [and] 375.786, [RSMo 1986 and] 376.1005, 376.1012, and 376.1025, RSMo [Supp. 1993]

2016. Original rule filed Oct. 15, 1993, effective June 6, 1994. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 200—Insurance Solvency and Company
Regulation**

**Chapter 14—Multiple Employer Self-Insured Health
Plans**

PROPOSED RESCISSION

20 CSR 200-14.300 Employers Who Join the Plan After a Certificate of Authority is Granted. This rule implemented sections 375.786, 376.1025 and 376.1030, RSMo.

PURPOSE: This rule is being rescinded because it is entire duplicative of section 376.1030, RSMo.

AUTHORITY: sections 374.045 and 375.786, RSMo 1986 and 376.1025 and 376.1030, RSMo Supp. 1993. Original rule filed Oct. 15, 1993, effective June 6, 1994. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

**Division 200—Insurance Solvency and Company
Regulation**

**Chapter 14—Multiple Employer Self-Insured Health
Plans**

PROPOSED RESCISSION

20 CSR 200-14.400 Dissolution of Plan. This rule implemented sections 375.786, 376.1022 and 376.1025, RSMo.

PURPOSE: This rule is being rescinded because it has never been used and is not necessary to the successful dissolution of a plan, should dissolution of a plan ever become necessary.

AUTHORITY: sections 374.045, 375.786 and 376.1025, RSMo Supp. 1998 and 376.1022, RSMo 1994. Original rule filed Oct. 15, 1993, effective June 6, 1994. Amended: Filed April 23, 1999, effective Nov. 30, 1999. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: J. Danielle McAfee, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION**

Division 500—Property and Casualty

Chapter 1—Property and Casualty Insurance in General

PROPOSED AMENDMENT

20 CSR 500-1.200 Marine, Inland Marine, Definition With Scope of Coverage. The director is amending the purpose section.

PURPOSE: This amendment fixes a typographical error in a statutory citation in the purpose section

PURPOSE: This regulation adopts and sets forth the 1976 Revision of the National Association of Insurance Commissioners' Nationwide Marine Definition with certain changes for Missouri use. Future interpretations will be made public by order or other notice. This regulation was adopted pursuant to the provisions of section 374.045, RSMo and implements section [279.316.2.] 379.316.2, RSMo.

AUTHORITY: sections 374.045 and 379.316.2., RSMo [(1994)] (2016). * This rule was previously filed as 4 CSR 190-16.020. Original rule filed July 27, 1964, effective Aug. 7, 1964. For intervening history, please consult the *Code of State Regulations*. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Meaghan Forck, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within

thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 500—Property and Casualty
Chapter 1—Property and Casualty Insurance in General**

PROPOSED AMENDMENT

20 CSR 500-1.400 Policyholder and Mutual Members Participation. The director is amending the purpose section and sections (1) and (2).

PURPOSE: This amendment modernizes the rule.

PURPOSE: This regulation specifies requirements for issuance of participating policies of property and casualty insurance and [required] provisions in all mutual policies other than life. This regulation was adopted pursuant to the provisions of section 374.045, RSMo and implements sections 379.160 and 379.265, RSMo.

(1) Prerequisites for Issuance of Participating Policies.

(A) Any stock insurance company licensed to do business in Missouri may issue participating property and casualty policies, provided that the company shall first—

1. Submit to the director of [insurance] the department evidence of proper specific charter authority; and
2. File with the director of [insurance] the department for approval the form of all participating property and casualty policies proposed to be issued in Missouri.

(2) Provisions [Required] in All Mutual Policies Other Than Life.

(A) Each policy issued by any mutual insurance company to insure property located in Missouri shall include the following or words meaning substantially the same:

1. "By acceptance of this policy, the named insured becomes a member of the company and shall be entitled to vote at all meetings of the members and, upon termination of this policy, shall participate in the distribution of dividends as fixed and determined by the directors in accordance with the law";
2. If not assessable, "This policy is not assessable. Your liability as a policyholder and member of the company under this policy is limited to payment of premium";
3. If assessable, "This policy is assessable under the provisions of section _____ RSMo. As a policyholder and member of the company, you may be required to make additional contributions to help meet excessive losses." (*[Note that the proper statute must be inserted] Insert proper statute*); and
4. Notice of the time, date, and place of the regular annual meetings of the members, unless notified otherwise.

AUTHORITY: sections 374.045, 379.160 and 379.265, RSMo [(1994)] 2016. This rule was previously filed as 4 CSR 190-16.070. This version of rule filed Dec. 5, 1969, effective Dec. 15, 1969. Amended: Filed Dec. 20, 1974, effective Dec. 30, 1974. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private

entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Meaghan Forck, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 500—Property and Casualty
Chapter 1—Property and Casualty Insurance in General**

PROPOSED AMENDMENT

20 CSR 500-1.700 Motor Vehicles and Goods as Collateral. The director is amending sections and subsections (2)(A), (B), (C), (D), and (E), (3) and 3(C), (5)(A), (6), and (7).

PURPOSE: This amendment modernizes the rule.

(2) Definitions.

(A) "Consumer" [shall include] includes the purchaser in a credit transaction, the mortgagor of newly acquired or previously owned property, and the equitable owner of any property subject to a lien within the scope of this regulation.

(B) "Goods," as used, [shall mean] means all tangible chattels, personal, and merchandise certificates or coupons exchangeable for this tangible personal property, but [shall] does not include motor vehicles, nonprocessed farm products, livestock, money, things in action, or intangible personal property. This term includes personal property which can be or is attached to realty so as to become a fixture whether or not severed or severable.

(C) "Loss payable clause" [shall mean] means any clause duly filed by the insurer with the [Missouri Department of Insurance (MDI)] department as added to a policy affording substantial protection.

(D) "Motor vehicle" [shall include] includes any new or used automobile, motorcycle, truck, trailer, semi-trailer, truck tractor, or bus.

(E) Substantial protection as used is afforded a consumer when the goods are covered by a standard fire policy with extended coverage endorsement or when the motor vehicle is covered by a policy providing collision and comprehensive insurance and both are duly filed with the [MDI] department. In these policies, the owner of the property must be protected from his/her risk of casualty loss for the causes covered by these policies and must be sole loss payee absent a loss payable clause. The amount payable to the consumer shall be no less than the actual cash value of the goods or motor vehicle insured.

(3) Substantial Protection [Required].

(C) No insurance carrier shall write the following coverages upon vehicles insured by coverage subject to this regulation unless included as part of an insurance policy substantially protecting the interests of the consumer, subject to the provisions of the Department of Economic Development, and the [Missouri Division of Finance] department's insurance regulations: fire, theft, and collision and comprehensive (except on vehicles ten (10) years old); towing and labor; and medical payments.

(5) Rates.

(A) No insurance carrier writing insurance in connection with consumer loans shall charge a rate in excess of the standard rate for this coverage. The standard rate means the rate(s) on file with the [MDI] department.

(6) Statement [Required]. No insurer shall write credit-connected insurance within the scope of this regulation unless the consumer executes as part of his/her application for coverage the following statement or similar statement approved by the director of the department [of Insurance]: “I understand that I am free to insure my _____ (auto, motorcycle, or furniture) with whatever licensed company or insurance producer I may choose; that I may do so at any time after the date of this loan; that I have not cancelled existing insurance on my _____ if I owned it before this loan; and that this loan cannot be denied me simply because I did not purchase my insurance through the lender or seller.”

(7) Training [Required]. Any insurance company engaging in coverage subject to this regulation shall be responsible for the education and training of its insurance producers operating in connection with credit institutions to insure that they are fully knowledgeable of the contents of this regulation and any other pertinent insurance laws and regulations. Each company shall be responsible for the continuing training and supervision of the activities of its insurance producers placing that business.

AUTHORITY: sections 303.200, 365.080, 367.170, 374.045, 375.936, 379.318, 379.351, 379.470 and 408.280, RSMo [2000] 2016. This rule was previously filed as 4 CSR 190-16.140. Original rule filed Aug. 12, 1974, effective Aug. 22, 1974 as Regulation 10.9. Amended: Filed Aug. 4, 1989, effective Dec. 1, 1989. Amended: Filed July 12, 2002, effective Jan. 30, 2003. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Meaghan Forck, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 500—Property and Casualty
Chapter 1—Property and Casualty Insurance in General
PROPOSED RESCISSION**

20 CSR 500-1.900 Minimum Standards for Claims-Paid Policies. This rule set minimum requirements for loss reserves, loss adjustment expense reserves and policy provisions for claims-paid policies.

PURPOSE: This rule is being rescinded because the department is unaware of any companies currently writing claims-paid policies and because if companies should write claims-paid policies in the future, those companies would have to comply with accounting and actuarial

standards that apply across the insurance industry generally.

AUTHORITY: sections 374.040, 374.045, 375.930–375.948 and 379.102, RSMo 1994. Original rule filed Nov. 14, 1991, effective June 25, 1992. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Meaghan Forck, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 500—Property and Casualty
Chapter 2—Automobile Insurance**

PROPOSED AMENDMENT

20 CSR 500-2.500 Mobile Homes as Collateral. The director is amending sections and subsections (1)(B), (2), and (3).

PURPOSE: This amendment modernizes the rule.

(1) Definitions.

(A) Mobile home includes:

1. Mobile home, any manufactured housing unit, transportable on its own chassis, axle, and wheels, designed for permanent occupancy when connected to utilities;

2. Travel trailer, any manufactured recreational vehicle, transportable on its own chassis, axle, and wheels when towed by a motor vehicle, designed for temporary occupancy, to include a camper trailer; and

3. Motor home, any self-propelled, licensed, registered motor vehicle, designed for use principally on the public right-of-way as a recreational vehicle and designed to provide temporary living quarters, including truck-mounted camper units.

(B) Dual interest as used [shall mean] means a policy of insurance in which the interests of the lien-holder/vendor and the named insured debtor/borrower are each insured as their interest may appear. Coverage for the debtor shall not be less than the standard fire policy with extended coverage endorsements. Vendors' single interest may be written in conjunction with and incidental to a dual interest policy.

(C) Vendors'/lenders' single interest shall be an incidental coverage written in conjunction with a dual interest policy. This vendors' single interest coverage may include conversion, secretion, embezzlement, collision, and repossession return expense coverages.

(2) Substantial Protection [Required].

(A) Vendors'/lenders' single interest may not be written on mobile homes as a separate policy. It only may be written as a portion of a dual interest policy protecting the interests of the debtor/borrower and the creditor as they may appear.

(B) Lienholders, or sellers of mobile homes, or both, may not be listed as additional insureds or appear in any other manner as insureds on a policy insuring the mobile home where the policy is purchased by the owner of the mobile home. They may be named in a loss payable clause as a payee or be a payee under the vendors'/lenders' single interest portion of that policy.

(C) No policy subject to this regulation may be written unless it covers substantially the actual cash value of the mobile home, except for the vendors'/lenders' single interest portion of that policy which may be measured by the loan balance payable.

(3) Consumers' Rights, Rates, and Training. Insurers doing business subject to this regulation shall comply with the following sections of 20 CSR 500-1.700 to foster open competition among the insurers: section (4) Consumers' Rights, to include providing full and fair written notice of these rights before the underlying mobile home credit transaction is consummated; section (5) Rates; and section (7) Training [Required], to include the proper application of rates to each risk.

AUTHORITY: sections: 303.200, 365.080, 367.170, 374.045, 375.936 and 408.280, RSMo [(1994)] 2016. This rule was previously filed as 4 CSR 190-17.090. Original rule filed Dec. 20, 1974, effective Dec. 30, 1974. Amended: Filed Aug. 4, 1989, effective Dec. 1, 1989. Amended: Filed Jan. 13, 1995, effective July 30, 1995. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Meaghan Forck, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 500—Property and Casualty
Chapter 4—Rating Laws**

PROPOSED AMENDMENT

20 CSR 500-4.300 Rate Variations (Consent Rate) Prerequisites. The director is amending section and subsections (1)(B), (C), and (D), and (2)(A)3.

PURPOSE: This amendment modernizes the rule.

(1) Standards for the Use of Consent to Rate.

(B) Reasons for any individual modifications in rate for private passenger automobile or homeowners or occupied residential dwelling fire policies must be entered in Exhibit A and [must]—

1. Be highly unusual and have a documentably probable effect upon losses, stating specifically why the proposed insured is not within a reasonable class or classification system;

2. Be clearly and specifically stated as to each specific risk fac-

tor (such general statements as “Risk does not meet normal rates” are not acceptable);

3. Not be based solely upon the actions of another insurer toward that insured or that person’s age, residence, race, sex, color, creed, national origin, ancestry, or lawful occupation; and

4. The following statement must be a part of each form 20 CSR 500-4.300 Exhibit A and signed by the insured: “I, _____, declare that I have been unable to obtain this insurance from other companies and hereby consent to pay the higher rates which I am being charged for this insurance. I understand that any deductible amount stated in my policy will be deducted from each claim I may make under the policy issued me.”

(C) Schedule experience rated policies, or both, approved and filed by the [Missouri] department [of Insurance (MDI)] are exempt from this rule.

(D) Policies rated on any substandard dwelling schedule or rating plan filed with the [MDI] department are considered special rating policies for the purposes of the record requirements of section (2) of this rule.

(2) Record Keeping Requirements.

(A) All insurance companies subject to this rule shall—

1. Complete and execute monthly, with the signature of a person authorized by the company to do so, Exhibit B;

2. File and preserve the original completed Exhibits A and B in the company’s policy file and a duplicate copy of each in the company’s Missouri records file; and

3. Transmit to the department [of Insurance] a completed signed copy of Exhibit B before the end of the next monthly period.

AUTHORITY: sections 374.045, 379.318(2), [and] 379.470(6), [RSMo 2000;] 375.031, and 375.136, [RSMo Supp 2001;] 2016, and section 379.321(3), RSMo [2002] Supp. 2018. This rule was previously filed as 4 CSR 190-16.080. Original rule filed Dec. 20, 1974, effective Dec. 30, 1974. Amended: Filed April 23, 1999, effective Nov. 30, 1999. Amended: Filed July 12, 2002, effective Jan. 30, 2003. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Meaghan Forck, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 600—Statistical Reporting
Chapter 1—Reports Other Than Annual Statement and
Credit Insurance**

PROPOSED AMENDMENT

20 CSR 600-1.020 Dram Shop Cost Data Reporting. The director is amending the purpose statement, section (3), and subsections (1)(A) and (2)(B).

PURPOSE: This proposed amendment updates and modernizes the rule.

PURPOSE: This rule interprets section 375.1730, RSMo [Supp. 2002], and sets forth the types of cost data [required] to be reported to the department from insurers issuing coverage for dram shop liquor liability and provides for the form referred to in section (3) of this rule to be available on the department's website.

(1) Definitions. When used in this regulation—

(A) Costs associated with coverage means those expenses and fees incurred by insurers relating to dram shop liability coverage that are [required] to be reported to the director as outlined in the data reporting form required by section (2) of this regulation;

(2) Report.

(B) The initial report [shall] is to be in writing and shall be made to the director by April 30, 2003, for the twelve (12) months ending December 31, 2002, on the form provided by the department. Every subsequent report [shall] is also to be in writing and shall be made to the director annually on or before March 31 of each year beginning March 31, 2004, for the twelve (12) months ending December 31 next preceding on the form provided by the department.

(3) Forms. The data reporting form [required by] referenced in section (2) of this regulation can be accessed at the department's website [at www.insurance.state.mo.us].

AUTHORITY: sections 374.045, 536.016, [RSMo 2000,] and 375.1730, RSMo [Supp. 2003] 2016. Original rule filed Oct. 1, 2002, effective March 30, 2003. Amended: Filed Dec. 19, 2003, effective June 30, 2004. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, Missouri 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 600—Statistical Reporting
Chapter 2—Credit Insurance**

PROPOSED RESCISSION

20 CSR 600-2.100 Life and Accident and Sickness. This regulation provides for the regulation of credit life insurance and credit accident and health insurance with penalty provisions.

PURPOSE: This rule is being rescinded because it is duplicative to provisions already contained in Chapter 385 RSMo. The rule contains information that is outdated and in conflict with the statutes; and therefore, is no longer necessary.

AUTHORITY sections 365.080, 374.045, 374.190, 374.210, 375.041, 375.936, 376.170, 376.405, 376.500, 376.675, 376.777

and 408.280, RSMo 2000. This rule was previously filed as 4 CSR 190-13.160. Original rule filed Sept. 11, 1975, effective Nov. 15, 1975. Amended: Filed Aug. 16, 1977, effective Jan. 13, 1978. Amended: Filed Jan. 15, 1980, effective Sept. 1, 1980. Amended: Filed Aug. 13, 1981, effective Jan. 1, 1982. Amended: Filed Dec. 1, 1997, effective May 30, 1998. Amended: Filed July 12, 2002, effective Jan. 30, 2003. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 600—Statistical Reporting
Chapter 2—Credit Insurance**

PROPOSED AMENDMENT

20 CSR 600-2.110 [Revision of] Credit Life and Accident and Sickness Rates. The director is amending the rule title, the purpose statement, section (4), subsections (1)(A) and (1)(B), and deleting subsection (1)(C) and paragraphs (1)(A)1., (1)(A)2., (1)(A)3., (1)(A)4., (1)(A)5., (1)(C)1., and (1)(C)2.

PURPOSE: This proposed amendment would change the title and purpose statement to more accurately reflect the contents of the rule, and would remove language that is duplicative of a statute. This proposed amendment would also eliminate references in the text of the rule to subsections which no longer exist, as they were removed by a prior amendment.

PURPOSE: This rule implements the *prima facie* rates for credit life and credit accident and health specified in section 385.070, RSMo. It also sets forth alternative conditions and rates which will be permitted for credit life insurance and credit accident and health insurance.

(1) Regarding credit life insurance—

(A) [It shall be presumed in any review of rates filed with the director that the benefits are reasonable in relation to the premium charged if the premium rates do not exceed the following:

1. Single premium rate—single life decreasing term credit life insurance—fifty-five cents (55¢) per annum per one hundred dollars (\$100) of initial outstanding amount of insured indebtedness;

2. Single premium rate—single level term credit life insurance—one dollar and ten cents (\$1.10) per annum per one hundred dollars (\$100) of initial outstanding amount of insured indebtedness;

3. Monthly premiums—single life credit life insurance—ninety-two cents (92¢) per one thousand dollars (\$1,000) of outstanding insured indebtedness;

4. Single premium-joint life (two (2) lives) decreasing term credit life insurance—ninety cents (90¢) per annum per

one hundred dollars (\$100) of initial outstanding amount of insured indebtedness; and

5. Monthly premium—joint life (two (2) lives) decreasing term credit insurance—one dollar thirty-eight cents (\$1.38) per one thousand dollars (\$1,000) of outstanding indebtedness;] Premium rates for credit life insurance are presumed reasonable if consistent with the rates set forth in section 385.070.1(1), RSMo; and

(B) If the credit life insurance policy is of a type different than those described in subsection (1)(A), premium rates for this policy [shall be] may be determined to be reasonable if they are actuarially consistent with the rates set forth in subsection (1)(A); and].

[(C) The presumption of reasonableness of premium rates stated in subsection (1)(A) is granted only when the credit life insurance contract—

1. Contains an incontestable clause for a period which shall not be in excess of two (2) years; and

2. Provides or offers coverage to all debtors regardless of age, or to all debtors not older than the applicable age limit, which shall not be less than attained age of seventy (70) years if the limit applies to the age when the insurance attaches, or not less than attained age of seventy-one (71) years if the limit applies to the age on the scheduled maturity date of the debt. Age limits, if used, must be clearly shown on the individual policies or group certificates.]

(4) Insurers may use the same application forms under this rule whether or not underwriting questions are asked [pursuant to subsection (1)(D) or subsections (2)(B) and (2)(C)]. The department will presume that any application form for which all the relevant underwriting questions have been left unanswered represents a policy which has not been underwritten, and for which *prima facie* rates are permissible. A form for which any relevant underwriting questions have been answered or filled in represents a policy for which premium increases or decreases are required. Insurers should maintain in their files their rules for those circumstances where underwriting questions [shall be] are asked. These rules shall be communicated to and followed by the insurer's agents or other producers.

AUTHORITY: sections 374.045, 385.045, and 385.070, RSMo [2000] 2016. This rule was previously filed as 4 CSR 190-13.190. Original rule filed June 12, 1981, effective Oct. 16, 1981. Amended: Filed Nov. 2, 1993, effective July 10, 1994. Amended: Filed July 12, 2002, effective Feb. 28, 2003. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 600—Statistical Reporting
Chapter 2—Credit Insurance**

PROPOSED RESCISSION

20 CSR 600-2.120 Refund of Credit Insurance Premiums. This regulation established uniform cancellation procedures to be followed by credit insurers pursuant to the provisions of sections 374.045 and 385.050, RSMo.

PURPOSE: This rule is being rescinded because it is outdated and in conflict with Section 385.050.2 RSMo which provides for the actuarial method of calculating refunds.

AUTHORITY sections 374.045 and 385.070, RSMo 1986. This rule was previously filed as 4 CSR 190-13.180. Original rule filed April 11, 1979, effective Aug. 11, 1979. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 600—Statistical Reporting
Chapter 2—Credit Insurance**

PROPOSED AMENDMENT

20 CSR 600-2.200 Credit Property Insurance. The director is amending the rule title, the purpose statement, section (1), and subsections (2)(A), (2)(B), (2)(C), (2)(E), deleting sections (3), (4), (5), (6), (7), (10), (12), (13), subsections (6)(A), (6)(B), (6)(C), and Exhibit A, and renumbering sections (8), (9), and (11) as sections (3), (4), and (5).

PURPOSE: This proposed amendment clarifies and modernizes the rule in reference to Chapter 385 which regulates credit property insurance. This proposed amendment changes the title and purpose statement to more accurately reflect the contents of the rule and appropriate statutes. This proposed amendment also eliminates language that is duplicative of a statute or which is no longer necessary.

PURPOSE: This regulation is designed to stimulate open competition among insurers to provide insurance coverage in the credit context at rates which are not unfairly discriminatory or excessive. Where property insurance is sold by a creditor in connection with the extension of credit, the regulating forces of open competition may not operate to control rates and extend benefits. This regulation designates rate levels for certain coverages above which rates for insurance sold in the credit context will be presumed excessive and unfairly discriminatory under statutory standards. It is solely because of the lack of effective price and product controlling competition that the promulgation of these standards has become necessary to policyholders and the public interest. This regulation was adopted pursuant to the provisions of section 374.045, RSMo and to implement sections 367.170, 374.190, 375.012, 375.158, 375.936, [379.318, 379.356, 379.470]385.010 to 385.080, and 408.280, RSMo [2016].

(1) Scope. *[This regulation shall apply to the sale of the designated types of insurance in the credit context, that is, by a creditor to a debtor with a direct charge to the debtor. The manner and method of sale shall be the determining factor of applicability of this regulation] This regulation applies to credit property as defined in section 385.020, RSMo.*

(2) Definitions. The following terms are defined for use in this regulation:

(A) Affiliated insurance producer *[shall]* means any insurance producer of an insurer who receives any employment remuneration from a dealer or lender or sells insurance primarily to debtors of a dealer or lender group of associated dealers or lenders or whose insurance a dealer or lender controls, directly or indirectly, or regularly designates, recommends, refers or suggests to the buyer that s/he purchase in connection with the negotiation, execution, extension, or renewal of a contract;

(B) Contract *[shall]* includes any credit transaction for household, personal, or family use;

(C) Dealer *[shall]* means any person who extends credit for household, personal, or family use or any successor to a creditor's rights;

(E) *[Property insurance as permitted and regulated under this regulation shall mean coverage upon personal property other than automobiles pledged as collateral or security upon a contract as defined and shall include only the standard fire policy with coverage attachment, extended coverage endorsement and replacement cost provision endorsement. Coverage other than those described previously may be included, but no additional premium may be charged for the additional coverages and the losses sustained as a result of those additional coverages may not be included in the calculation of the loss ratio] Credit property insurance has the same meaning as in section 385.020.1(5), RSMo.*

[(3) Sales Only Through Licensed Insurance Producers. All sales of insurance, within the scope of this regulation, must be made through licensed insurance producers. All remuneration for the sale of insurance must be in the form of commission paid directly to the insurance producer by the insurer. Enrollment of debtors of a creditor under a group contract where a direct charge is made to the debtor for the full insurance premium is declared to be the solicitation of or procurement or making of an insurance contract within the meaning of section 375.012, RSMo.

(4) Written Evidence of Insurance Required. The insurer must deliver to the insured within thirty (30) days of the extension of credit a copy of the policy or the certificate of insurance. This may be done directly or through the insurer's insurance producer in the credit institution.

(5) Coverages to be Sold. Only those coverages defined as property insurance in this regulation may be sold by an insurer through an affiliated insurance producer in connection with any contract as defined.

(6) Consumers' Rights. Each insurer shall grant and no insurer or affiliated insurance producer shall deny any insured the full and free exercise of the following rights:

(A) The consumer shall not be required or coerced to obtain insurance from any particular insurer nor through any particular insurance producer or representative of a company as a condition to entering into a contract. No insurer shall participate or knowingly allow its insurance producers to participate in such a scheme or requirements or coercion;

(B) If the debtor has or obtains additional personal property coverage, the debtor may retain the additional coverage or

may substitute coverage at any time and, upon this substitution, shall be entitled to a pro rata refund of the unearned premium on the policy. Where this insurance was not initially required by the creditor, the debtor may cancel, at any time, without substituting and shall be entitled to a pro rata refund of any premium paid. If the substitution or cancellation occurs within thirty (30) days of the extension of credit, the entire premium shall be refunded; and

(C) Any insurance written to secure an underlying contract must be cancelled upon the satisfaction or termination of that underlying contract and a pro rata refund of unearned premium made to the insured.

(7) Insurance Not to Exceed Contract Terms. No insurance sold within the scope of this regulation may exceed in amount of coverage the amount of indebtedness on the underlying contract nor exceed in duration the scheduled term of the underlying contract. Household contents may be insured at their replacement cost up to the original amount of indebtedness.]

[(8)](3) Credit Property Insurance Sold by a Lender (Chapter 367, RSMo).

(A) No insurer may issue through an affiliated agent a policy covering security for a loan made under the regulatory authority of Chapter 367, RSMo which exceeds the replacement value of the property given as security for the loan or covering security for such a loan which is less than three hundred dollars (\$300). If the insured elects to cancel a policy sold in connection with such a transaction, the insurer shall remit directly to the insured any premium refund due.

(B) No insurer shall sell any coverage through an affiliated insurance producer other than the standard fire policy with coverage attachment with extended coverage endorsement and replacement cost provision endorsement.

[(9)](4) Credit Property Insurance Sold With Credit Transactions (Chapter 408, RSMo).

(A) No insurer may write coverage through an affiliated agent to be sold in this context in which the amount of coverage exceeds the replacement cost of the goods insured.

(B) No insurer may pay a dealer or by contract grant a dealer's interest in the affiliated property insurance which exceeds the original indebtedness under the contract.

(C) No insurer may issue a contract of insurance through an affiliated dealer which covers any goods other than those sold by that dealer under the terms of the contract secured by those goods.

[(10) Rates. It shall be presumed in any review of rates filed with the director that the benefits are reasonable in relation to the premium charged if the premium rates do not exceed those contained in Exhibit A of this regulation, included herein. Any insurer filing rates in excess of those contained in Exhibit A must demonstrate that its rates produce or may reasonably be expected to produce a loss ratio of at least sixty percent (60%).]

[(11)](5) Cancellation Refund Computation. All refunds of any insurance sold subject to this regulation shall be made upon the pro rata refund computation tables.

[(12) Insurer's Reports Required. Each insurance company writing credit property insurance, as defined, shall report on or prior to April 1 all credit property insurance premium and loss information on the credit insurance experience exhibits of its annual statement. The report required by this section will not be used in any manner to determine the financial condition of the company; however, this report shall reconcile to

the Missouri supplement to the page of the annual statement on which credit insurance business in the state of Missouri is recorded. Any discrepancies between the report required by this section and the page of the annual statement on which credit insurance business in the state of Missouri is recorded shall be explained by a signed statement attached to the report required by this section.

(13) Severability. If any provision of any section of this regulation or application to any person or circumstance is held invalid, the invalidity shall not affect other provisions of that section or application of the regulation which can be given effect without the invalid provision or application and to this end the provisions of this regulation are declared to be severable.

EXHIBIT A
HOUSEHOLD CONTENTS
FIRE INSURANCE

The rate applicable to credit property insurance shall be \$1.85 per \$1000 of outstanding indebtedness per month. A minimum of \$5.00 shall be allowed.]

AUTHORITY: sections 374.045, 374.190, 375.041, 375.936, 379.356, 379.470, 408.280, [RSMo 2000 and] 375.012, 375.158 and 379.318, RSMo [Supp. 2001] 2016. This rule was previously filed as 4 CSR 190-16.110. Original rule filed Sept. 11, 1975, effective Nov. 15, 1975. For intervening history, please consult the Code of State Regulations. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION

Division 600—Statistical Reporting
Chapter 2—Credit Insurance

PROPOSED RESCISSION

20 CSR 600-2.300 Involuntary Unemployment. This rule established a presumptively reasonable rate for credit unemployment insurance and set out procedures for filing loss data.

PURPOSE: This rule is being rescinded because it is duplicative and no longer necessary since section 385.070, RSMo, provides for premium rates.

AUTHORITY sections 374.045 RSMo Supp. 1997 and 375.041, RSMo 1994. This rule was previously filed as 4 CSR 190-16.170. Original rule filed Aug. 28, 1986, effective Dec. 11, 1986. Amended: Filed Dec. 1, 1997, effective May 30, 1998. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION

Division 600—Statistical Reporting
Chapter 2—Credit Insurance

PROPOSED AMENDMENT

20 CSR 600-2.400 Credit Dismemberment Insurance. The director is amending the purpose statement, the original authority section, section (1), and subsections (1)(D), (1)(E), (1)(F), and deleting subsection (1)(G).

PURPOSE: This proposed amendment would replace a citation to 4 CSR 140-5.020 because that rule is now 20 CSR 1140-5.020. This proposed amendment would also clarify and remove unnecessary language which is provided for in the department's general examination recordkeeping regulations as well as to correct punctuation and spelling errors.

PURPOSE: This rule is designed to regulate the sale of credit dismemberment insurance. It makes the requirements concerning credit dismemberment insurance in [4 CSR 140-5.020] 20 CSR 1140-5.020 of the rules of the Division of Finance applicable to all creditors.

(1) When accident and health insurance is sold, requisitioned, or accepted by any creditor in connection with any extension of credit, this insurance may be in the form prescribed in section 385.070(2), RSMo or in the form known as dismemberment insurance; under no circumstances may both types of accident and health insurance be sold in connection with the same extension of credit. If credit dismemberment insurance is sold, requisitioned, or accepted in connection with an extension of credit, this insurance [shall be] is subject to the following requirements, restrictions, and qualifications:

(D) Cancellation. Credit dismemberment insurance [shall be] is subject to the refunding provisions as though it were credit life insurance issued pursuant to Chapter 385, RSMo and corresponding rules;

(E) Insurance Not to Exceed Contract Terms. Credit dismemberment insurance may not exceed in amount the total indebtedness nor exceed the underlying contract in duration; and

(F) Minimum Standards. Credit dismemberment insurance must provide for a total payoff of an underlying indebtedness in the event of loss of the sight of one (1) eye, loss of one (1) hand at or above the wrist, and/or loss of one (1) foot at or above the ankle; no restrictions shall be permitted, that is, full benefits must be payable on any dismemberment or blindness which occurs during the coverage; and].

[[G) Recordkeeping. Claims dismemberment insurance for which no identifiable charge is made to the debtor is exempt from this regulation.]

AUTHORITY: section 374.045, RSMo [Supp. 1993] 2016 and Chapter 385, RSMo 2016. This rule was previously filed as 4 CSR 190-22.070. Original rule filed Sept. 13, 1982, effective March 11, 1983. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 600—Statistical Reporting
Chapter 2—Credit Insurance**

PROPOSED RESCISSION

20 CSR 600-2.500 Credit Life and Accident and Sickness Premium Rates. This rule implemented the provisions of sections 385.045.1 and .2 and 385.070.1(3)(e), RSMo by requiring that credit life and credit accident and sickness insurance be calculated in conformity with the methods prescribed in section 385.070.1(3), RSMo 1986.

PURPOSE: This rule is being rescinded because it was based on a formula contained in a 1986 statute that has been substantially revised and because it is duplicative of provisions in section 385.070, RSMo and therefore no longer necessary.

AUTHORITY sections 374.045, RSMo Supp. 1993, 385.045 and 385.070, RSMo Supp. 1992 and Chapter 536, RSMo 1986. This rule was previously filed as 4 CSR 190-13.200. Original rule filed June 12, 1981, effective Nov. 1, 1981. Rescinded: Filed Dec. 13, 2018.

PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rescission will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 600—Statistical Reporting
Chapter 2—Credit Insurance**

PROPOSED AMENDMENT

20 CSR 600-2.510 Time Periods and Termination of Credit Accident and Sickness Insurance. The director is amending the purpose statement, section (1) and subsection (1)(B).

PURPOSE: This proposed amendment adds statutory reference to section 385.045, RSMo since this statute governs policy form approval for credit accident and sickness and also clarifies the content of filings made with the department.

PURPOSE: This regulation specified two (2) rights of debtors under contracts of credit accident and sickness insurance and was promulgated pursuant to the provisions of section 374.045, RSMo [(1986)] and to implement sections 376.405, [and] 376.777, and 385.045, RSMo [(1986)].

(1) [No insurance company shall deliver or issue for delivery in this state any contract of credit accident and sickness insurance unless a copy of the contract or a certificate evidencing coverage under a group contract is delivered to the debtor-insured and unless the writing delivered provides that—] All credit accident and sickness policy and certificate forms filed pursuant to section 385.045 shall contain provisions that comply with the following:

(B) If a loan is rewritten necessitating adjustment of the term of insurance, the adjusted insurance policy or certificate shall not impose a new period for time limit on certain defenses but [shall] instead recognize the time elapsed under the provisions of the original policy or certificate in satisfaction of the time limit on certain defenses.

AUTHORITY: sections 374.045, [RSMo Supp. 1993,] 376.405, and 376.777, RSMo [Supp. 1986] 2016. This rule was previously filed as 4 CSR 190-14.020. This version of rule filed Sept. 18, 1974, effective March 1, 1975. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 600—Statistical Reporting
Chapter 2—Credit Insurance**

PROPOSED AMENDMENT

20 CSR 600-2.600 Credit Insurance—Indirect Compensation. The director is amending section (2).

PURPOSE: This proposed amendment modernizes the rule by removing reference to a version of a statute that has been amended since its original adoption.

(2) The difference between the rate of return paid to the insurance company on Certificates of Deposit by financial institutions which

are the purveyors of the company's credit insurance and the highest rate of return available at the time of purchase of the Certificates of Deposit will be considered to be direct or indirect compensation under section 385.070.2(3), RSMo [(1986)].

AUTHORITY: sections 374.045, [RSMo Supp. 1993,] 385.070, [RSMo Supp. 1992] and 385.075, RSMo [1986] 2016. This rule was previously filed as 4 CSR 190-13.210. Original rule filed Aug. 13, 1981, effective Nov. 16, 1981. Amended: Filed Dec. 13, 2018.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Insurance, Financial Institutions and Professional Registration, Attention: Stewart Freilich, PO Box 690, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 2117—Office of Statewide Electrical Contractors
Chapter 1—General Rules**

PROPOSED RULE

20 CSR 2117-1.010 Definitions

PURPOSE: This rule defines terms used throughout these regulations consistent with the statewide electrical contractor statutes.

- (1) Associate's Degree—An associate's degree in a relevant electrical program from a state accredited program.
- (2) Clear—A permit obtained by an electrical contractor is cleared when the permit is either transferred or terminated by the issuing political subdivision.
- (3) Division—The Division of Professional Registration.
- (4) Electrical contractor—Any person engaged in electrical contracting.
- (5) Four (4) year electrical engineering degree—A bachelor's level or higher degree in electrical engineering issued by a college or university accredited by the Accreditation Board for Engineering and Technology or similar accrediting organization as approved by the division.
- (6) Grievance—Any complaint filed with the division by any person alleging violation of the statutes or regulations found in the statewide electrical contractor statute or regulations.
- (7) Insane or incompetent—Mentally incompetent as adjudged by any court of competent jurisdiction.
- (8) National Electrical Code (NEC)—The National Electrical Code.
- (9) Office—Office of Statewide Electrical Contractors within the division.

(10) Political subdivision—Any township, city, town, village, school, road, drainage, sewer, and levee districts and any other public subdivision, public corporation, or public quasi-corporation having the power to tax.

(11) Qualifier—Supervisory level licensee who is designated by his or her entity as a holder of the electrical contractor license on behalf of the entity.

(12) Statewide electrical contractor license—A license issued by the division authorizing the holder to engage in the practice of electrical contracting anywhere within the state of Missouri regardless of local licensing requirements.

(13) Statewide electrical contractor statute—Sections 324.900, RSMo, et seq. that authorizes the issuance and regulation of statewide electrical contractor licenses.

(14) Verifiable practical hours—Hours of practical work verified in accordance with these rules.

AUTHORITY: section 324.910, RSMo Supp. 2017. Original rule filed Dec. 14, 2018.

PUBLIC COST: This proposed rule will cost state agencies or political subdivisions approximately one hundred eighty-nine dollars (\$189) annually for the life of the rule. It is anticipated that the costs will recur for the life of the rule, may vary with inflation, and are expected to increase at the rate projected by the Legislative Oversight Committee.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Office of Statewide Electrical Contractors, PO Box 1335, Jefferson City, MO 65102, via facsimile at (573) 751-6301, or via email at OSEC@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

PUBLIC FISCAL NOTE

I. RULE NUMBER

Title 20 - Department of Insurance, Financial Institutions and Professional Registration
Division 2117 - Electrical Contractors
Chapter 1 - Definitions and General Organization
Proposed Rule - 20 CSR 2117-1.010 Definitions

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Annual Cost of Compliance
Office of Statewide Electrical Contractors	\$189

III. WORKSHEET

The costs for this rule are detailed in the table below and are based on the following assumptions:

- 1) Personal service costs are incurred for staff time to answer inquiries regarding licensure, processing and reviewing applications for completeness, corresponding with the applicant, and verifying records.
- 2) Expense and equipment costs are incurred for office expenses relating to researching, inspecting and copying the records.
- 3) Transfers are costs incurred for board and staff support provided by the Division of Professional Registration (also includes data processing, cash receiving room and MIS) and costs incurred for services provided by agencies such as the Office of the Attorney General, Secretary of State and State Auditor.

Table 1 – Estimated Cost of Compliance by Category of Allocation

Category of Allocation	Licensure – 0%	Enforcement - 1%
Personal Service	\$0	\$116
Expense & Equipment	\$0	\$23
Transfers	\$0	\$50
TOTAL	\$0	\$189

IV. ASSUMPTIONS

In developing this fiscal note, the total public entity costs of the Office of Statewide Electrical Contractors were determined by using allotment figures for personal service, expense and equipment, and transfers based on the number of electrical contractors provided by the U.S. Census Bureau website from 2012 with a 3% growth estimate per year. In the future, the office will base fiscal estimates on actual costs and actual number of licensees. These annual costs will recur each year for the life of the rule; may vary with inflation; and are expected to increase annually at the rate projected by the Legislative Oversight Committee.

For the purpose of calculating the fiscal impact of the administrative rules, two major categories of board activity were identified: licensure and enforcement. The board estimates 70% of personal service, expense & equipment and transfer costs will be dedicated to the licensure effort and an estimated 30% of personal service, expense & equipment and transfer costs will be dedicated to the enforcement effort. Transfer costs also include rent and utilities. (See Table 2, 3 & 4)

Table 2– Allocation of Personal Service Dollars

Allotment	Percentage & Category	Dollar Amount
\$38,500	70% Licensure	\$26,950
\$38,500	30% Enforcement	\$11,550

Table 3– Allocation of Expense & Equipment

Allotment	Percentage & Category	Dollar Amount
\$7,753	70% Licensure	\$5,427
\$7,753	30% Enforcement	\$2,326

Table 4– Allocation of Transfer Dollars

Allotment	Percentage & Category	Dollar Amount
\$16,644	70% Licensure	\$11,651
\$16,644	30% Enforcement	\$4,993

In allocating costs, this proposed rule was reviewed to determine if the rule contained attributes of licensure and/or enforcement. It is estimated that no time involving the administration of the proposed rule will be spent on licensure efforts and 1% of the time will spent on enforcement efforts. These percentages have been applied to personal service, expense & equipment and transfer dollars. (See Table 1)

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 2117—Office of Statewide Electrical Contractors
Chapter 1—General Rules**

PROPOSED RULE

20 CSR 2117-1.020 General Organization

PURPOSE: To list the information the division will post publicly via electronic media.

(1) The purpose of the Office of Statewide Electrical Contractors within the Division of Professional Registration is to regulate electrical contractors to protect the public from harm caused by dangerous, dishonest, incompetent, or unqualified electrical contractors and to implement and carry out a system to license those applicants who have the skills and competency to practice as electrical contractors anywhere within Missouri.

(2) Any person may request information or make a submission to the Office of Statewide Electrical Contractors by writing to PO Box, 1335, 3605 Missouri Boulevard, Jefferson City, MO, 65102-1335, by email to osec@pr.mo.gov, by calling 573-522-3280, or by faxing 573- 751-6301. The TTY number is 800-735-2966 and the Voice Relay number is 800-735-2466.

(3) The division shall maintain a website or other public electronic media that contains the following:

- (A) A list of current and unexpired statewide electrical contractor licensees;
- (B) A listing of all disciplinary actions taken against any licensee;
- (C) Information about how to file a complaint alleging a violation of the statewide electrical contractor licensing statutes or regulations;
- (D) A list of examinations approved for licensure; and
- (E) Any other information deemed relevant by the division.

AUTHORITY: sections 324.910.1, 324.940.2, and .5, RSMo Supp. 2017. Original rule filed Dec. 14, 2018.

PUBLIC COST: This proposed rule will cost state agencies or political subdivisions approximately one hundred eighty-nine dollars (\$189) annually for the life of the rule. It is anticipated that the costs will recur for the life of the rule, may vary with inflation, and are expected to increase at the rate projected by the Legislative Oversight Committee.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars (\$500) in the aggregate.

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Office of Statewide Electrical Contractors, PO Box 1335, Jefferson City, MO 65102, via facsimile at (573) 751-6301, or via email at SEC@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.*

PUBLIC FISCAL NOTE

I. RULE NUMBER

Title 20 - Department of Insurance, Financial Institutions and Professional Registration
Division 2117 - Electrical Contractors
Chapter 1 - Definitions and General Organization
Proposed Rule - 20 CSR 2117-1.020 General Organization

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Annual Cost of Compliance
Office of Statewide Electrical Contractors	\$189

III. WORKSHEET

The costs for this rule are detailed in the table below and are based on the following assumptions:

- 1) Personal service costs are incurred for staff time to answer inquiries regarding licensure, processing and reviewing applications for completeness, corresponding with the applicant, and verify records.
- 2) Expense and equipment costs are incurred for office expenses relating to researching, reviewing and updating the division website.
- 3) Transfers are costs incurred for board and staff support provided by the Division of Professional Registration (also includes data processing, cash receiving room and MIS) and costs incurred for services provided by agencies such as the Office of the Attorney General, Secretary of State and State Auditor.

Table 1 – Estimated Cost of Compliance by Category of Allocation

Category of Allocation	Licensure – 0%	Enforcement - 1%
Personal Service	\$0	\$116
Expense & Equipment	\$0	\$23
Transfers	\$0	\$50
TOTAL	\$0	\$189

IV. ASSUMPTIONS

In developing this fiscal note, the total public entity costs of the Office of Statewide Electrical Contractors were determined by using allotment figures for personal service, expense and equipment, and transfers based on the number of electrical contractors provided by the U.S. Census Bureau website from 2012 with a 3% growth estimate per year. In the future, the office will base fiscal estimates on actual costs and actual number of licensees. These annual costs will recur each year for the life of the rule; may vary with inflation; and are expected to increase annually at the rate projected by the Legislative Oversight Committee.

For the purpose of calculating the fiscal impact of the administrative rules, two major categories of board activity were identified: licensure and enforcement. The board estimates 70% of personal service, expense & equipment and transfer costs will be dedicated to the licensure effort and an estimated 30% of personal service, expense & equipment and transfer costs will be dedicated to the enforcement effort. Transfer costs also include rent and utilities. (See Table 2, 3 & 4)

Table 2— Allocation of Personal Service Dollars

Alotment	Percentage & Category	Dollar Amount
\$38,500	70% Licensure	\$26,950
\$38,500	30% Enforcement	\$11,550

Table 3— Allocation of Expense & Equipment

Alotment	Percentage & Category	Dollar Amount
\$7,753	70% Licensure	\$5,427
\$7,753	30% Enforcement	\$2,326

Table 4— Allocation of Transfer Dollars

Alotment	Percentage & Category	Dollar Amount
\$16,644	70% Licensure	\$11,651
\$16,644	30% Enforcement	\$4,993

In allocating costs, this proposed rule was reviewed to determine if the rule contained attributes of licensure and/or enforcement. It is estimated that 1% of the total time involving the administration of the proposed rule will be spent on licensure efforts and no time will spent on enforcement efforts. These percentages have been applied to personal service, expense & equipment and transfer dollars. (See Table 1)

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 2117—Electrical Contractors
Chapter 1—General Rules**

PROPOSED RULE

20 CSR 2117-1.030 Public Records

PURPOSE: To set forth policies of which records are open and which records are closed to the public.

- (1) All open public records related to electrical contractor licenses will be open for inspection and copying by the general public at the division's office during normal business hours, holidays excepted.
- (2) The division director, or his or her designee, shall serve as custodian of these records as required by section 610.023, RSMo.
- (3) The division closes all records required by statute to be closed.

AUTHORITY: section 324.910.1 RSMo Supp. 2017, and sections 610.010-.200, RSMo 2016. Original rule filed Dec. 14, 2018.

PUBLIC COST: This proposed rule will cost state agencies or political subdivisions approximately one hundred eighty-nine dollars (\$189) annually for the life of the rule. It is anticipated that the costs will recur for the life of the rule, may vary with inflation, and are expected to increase at the rate projected by the Legislative Oversight Committee.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Office of Statewide Electrical Contractors, PO Box 1335, Jefferson City, MO 65102, via facsimile at (573) 751-6301, or via email at OSEC@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

PUBLIC FISCAL NOTE

I. RULE NUMBER

Title 20 - Department of Insurance, Financial Institutions and Professional Registration
Division 2117 - Electrical Contractors
Chapter 1 - Definitions and General Organization
Proposed Rule - 20 CSR 2117-1.030 Public Records

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Annual Cost of Compliance
Office of Statewide Electrical Contractors	\$189

III. WORKSHEET

The costs for this rule are detailed in the table below and are based on the following assumptions:

- 1) Personal service costs are incurred for staff time to answer inquiries regarding licensure, processing and reviewing applications for completeness, corresponding with the applicant, and verify records.
- 2) Expense and equipment costs are incurred for office expenses relating to researching, inspecting and copying the records.
- 3) Transfers are costs incurred for board and staff support provided by the Division of Professional Registration (also includes data processing, cash receiving room and MIS) and costs incurred for services provided by agencies such as the Office of the Attorney General, Secretary of State and State Auditor.

Table 1 – Estimated Cost of Compliance by Category of Allocation

Category of Allocation	Licensure – 0%	Enforcement - 1%
Personal Service	\$0	\$116
Expense & Equipment	\$0	\$23
Transfers	\$0	\$50
TOTAL	\$0	\$189

IV. ASSUMPTIONS

In developing this fiscal note, the total public entity costs of the Office of Statewide Electrical Contractors were determined by using allotment figures for personal service, expense and equipment, and transfers based on the number of electrical contractors provided by the U.S. Census Bureau website from 2012 with a 3% growth estimate per year. In the future, the office will base fiscal estimates on actual costs and actual number of licensees. These annual costs will recur each year for the life of the rule; may vary with inflation; and are expected to increase annually at the rate projected by the Legislative Oversight Committee.

For the purpose of calculating the fiscal impact of the administrative rules, two major categories of board activity were identified: licensure and enforcement. The board estimates 70% of personal service, expense & equipment and transfer costs will be dedicated to the licensure effort and an estimated 30% of personal service, expense & equipment and transfer costs will be dedicated to the enforcement effort. Transfer costs also include rent and utilities. (See Table 2, 3 & 4)

Table 2– Allocation of Personal Service Dollars

Allotment	Percentage & Category	Dollar Amount
\$38,500	70% Licensure	\$26,950
\$38,500	30% Enforcement	\$11,550

Table 3– Allocation of Expense & Equipment

Allotment	Percentage & Category	Dollar Amount
\$7,753	70% Licensure	\$5,427
\$7,753	30% Enforcement	\$2,326

Table 4– Allocation of Transfer Dollars

Allotment	Percentage & Category	Dollar Amount
\$16,644	70% Licensure	\$11,651
\$16,644	30% Enforcement	\$4,993

In allocating costs, this proposed rule was reviewed to determine if the rule contained attributes of licensure and/or enforcement. It is estimated that no time involving the administration of the proposed rule will be spent on licensure efforts and 1% of the time will be spent on enforcement efforts. These percentages have been applied to personal service, expense & equipment and transfer dollars. (See Table 1)

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 2117—Office of Statewide Electrical Contractors
Chapter 1—General Rules**

PROPOSED RULE

20 CSR 2117-1.040 Certifying Entities

PURPOSE: To establish the use of certifying entities.

(1) The division will post on its website any approved certifying entities.

(2) If the division determines to utilize any certifying entities, the division will enter into a contractual relationship with the certifying entity in accord with all state laws related to public contracts.

AUTHORITY: sections 324.910, RSMo Supp. 2017. Original rule filed Dec. 14, 2018.

PUBLIC COST: This proposed rule will cost state agencies or political subdivisions approximately four hundred forty dollars (\$440) annually for the life of the rule. It is anticipated that the costs will recur for the life of the rule, may vary with inflation, and are expected to increase at the rate projected by the Legislative Oversight Committee.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars (\$500) in the aggregate.

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Office of Statewide Electrical Contractors, PO Box 1335, Jefferson City, MO 65102, via facsimile at (573) 751-6301, or via email at OSEC@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.*

PUBLIC FISCAL NOTE

I. RULE NUMBER

Title 20 - Department of Insurance, Financial Institutions and Professional Registration

Division 2117 - Electrical Contractors

Chapter 1 - Definitions and General Organization

Proposed Rule - 20 CSR 2117-1.040 Certifying Entities

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Annual Cost of Compliance
Office of Statewide Electrical Contractors	\$440

III. WORKSHEET

The costs for this rule are detailed in the table below and are based on the following assumptions:

- 1) Personal service costs are incurred for staff time to answer inquiries regarding licensure, processing and reviewing applications for completeness, corresponding with the applicant, and verify records.
- 2) Expense and equipment costs are incurred for office expenses relating to researching, inspecting and copying the records.
- 3) Transfers are costs incurred for board and staff support provided by the Division of Professional Registration (also includes data processing, cash receiving room and MIS) and costs incurred for services provided by agencies such as the Office of the Attorney General, Secretary of State and State Auditor.

Table 1 – Estimated Cost of Compliance by Category of Allocation

Category of Allocation	Licensure – 1%	Enforcement - 0%
Personal Service	\$270	\$0
Expense & Equipment	\$54	\$0
Transfers	\$117	\$0
TOTAL	\$440	\$0

IV. ASSUMPTIONS

In developing this fiscal note, the total public entity costs of the Office of Statewide Electrical Contractors were determined by using allotment figures for personal service, expense and equipment, and transfers based on the number of electrical contractors provided by the U.S. Census Bureau website from 2012 with a 3% growth estimate per year. In the future, the office will base fiscal estimates on actual costs and actual number of licensees. These annual costs will recur each year for the life of the rule; may vary with inflation; and are expected to increase annually at the rate projected by the Legislative Oversight Committee.

For the purpose of calculating the fiscal impact of the administrative rules, two major categories of board activity were identified: licensure and enforcement. The board estimates 70% of personal service, expense & equipment and transfer costs will be dedicated to the licensure effort and an estimated 30% of personal service, expense & equipment and transfer costs will be dedicated to the enforcement effort. Transfer costs also include rent and utilities. (See Table 2, 3 & 4)

Table 2– Allocation of Personal Service Dollars

Allotment	Percentage & Category	Dollar Amount
\$38,500	70% Licensure	\$26,950
\$38,500	30% Enforcement	\$11,550

Table 3– Allocation of Expense & Equipment

Allotment	Percentage & Category	Dollar Amount
\$7,753	70% Licensure	\$5,427
\$7,753	30% Enforcement	\$2,326

Table 4– Allocation of Transfer Dollars

Allotment	Percentage & Category	Dollar Amount
\$16,644	70% Licensure	\$11,651
\$16,644	30% Enforcement	\$4,993

In allocating costs, this proposed rule was reviewed to determine if the rule contained attributes of licensure and/or enforcement. It is estimated that 2% of the time involving the administration of the proposed rule will be spent on licensure efforts and no time will be spent on enforcement efforts. These percentages have been applied to personal service, expense & equipment and transfer dollars. (See Table 1)

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 2117—Office of Statewide Electrical Contractors
Chapter 1—General Rules**

PROPOSED RULE

20 CSR 2117-1.050 Name and Address Change

PURPOSE: This rule requires licensees to inform the Office of Statewide Electrical Contractors of any name or address changes.

(1) Licensees shall keep the division informed of his or her legal name, mailing address, and telephone number. Any change shall be reported to the division in writing within thirty (30) days.

(2) A change in legal name shall include a copy of the appropriate documentation verifying the name change.

AUTHORITY: section 324.910, RSMo Supp. 2017. Original rule filed Dec. 14, 2018.

PUBLIC COST: This proposed rule will cost state agencies or political subdivisions approximately four hundred forty dollars (\$440) annually for the life of the rule. It is anticipated that the costs will recur for the life of the rule, may vary with inflation, and are expected to increase at the rate projected by the Legislative Oversight Committee.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars (\$500) in the aggregate.

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Office of Statewide Electrical Contractors, PO Box 1335, Jefferson City, MO 65102, via facsimile at (573) 751-6301, or via email at OSEC@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.*

PUBLIC FISCAL NOTE

I. RULE NUMBER

Title 20 - Department of Insurance, Financial Institutions and Professional Registration
Division 2117 - Office of Statewide Electrical Contractors
Chapter 1 -Definitions and General Organization
Proposed Rule - 20 CSR 2117-1.050 Name and Address Change

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Annual Cost of Compliance
Office of Statewide Electrical Contractors	\$440

III. WORKSHEET

The costs for this rule are detailed in the table below and are based on the following assumptions:

- 1) Personal service costs are incurred for staff time to answer inquiries regarding licensure, processing and reviewing applications for completeness, corresponding with the applicant, and verify records.
- 2) Expense and equipment costs are incurred for office expenses relating to researching, reviewing and updating the division website.
- 3) Transfers are costs incurred for division and staff support provided by the Division of Professional Registration (also includes data processing, cash receiving room and MIS) and costs incurred for services provided by agencies such as the Office of the Attorney General, Secretary of State and State Auditor.

Table 1 – Estimated Cost of Compliance by Category of Allocation

Category of Allocation	Licensure – 1%	Enforcement - 0%
Personal Service	\$270	\$0
Expense & Equipment	\$54	\$0
Transfers	\$117	\$0
TOTAL	\$440	\$0

IV. ASSUMPTIONS

In developing this fiscal note, the total public entity costs of the Office of Statewide Electrical Contractors were determined by using allotment figures for personal service, expense and equipment, and transfers based on the number of electrical contractors provided by the U.S. Census Bureau website from 2012 with a 3% growth estimate per year. In the future, the office will base fiscal estimates on actual costs and actual number of licensees. These annual costs will recur each year for the life of the rule; may vary with inflation; and are expected to increase annually at the rate projected by the Legislative Oversight Committee.

For the purpose of calculating the fiscal impact of the administrative rules, two major categories of board activity were identified: licensure and enforcement. The board estimates 70% of personal service, expense & equipment and transfer costs will be dedicated to the licensure effort and an estimated 30% of personal service, expense & equipment and transfer costs will be dedicated to the enforcement effort. Transfer costs also include rent and utilities. (See Table 2, 3 & 4)

Table 2– Allocation of Personal Service Dollars

Allotment	Percentage & Category	Dollar Amount
\$38,500	70% Licensure	\$26,950
\$38,500	30% Enforcement	\$11,550

Table 3– Allocation of Expense & Equipment

Allotment	Percentage & Category	Dollar Amount
\$7,753	70% Licensure	\$5,427
\$7,753	30% Enforcement	\$2,326

Table 4– Allocation of Transfer Dollars

Allotment	Percentage & Category	Dollar Amount
\$16,644	70% Licensure	\$11,651
\$16,644	30% Enforcement	\$4,993

In allocating costs, this proposed rule was reviewed to determine if the rule contained attributes of licensure and/or enforcement. It is estimated that 2% of the time involving the administration of the proposed rule will be spent on licensure efforts and no time will spent on enforcement efforts. These percentages have been applied to personal service, expense & equipment and transfer dollars. (See Table 1)

**Title 20—DEPARTMENT OF INSURANCE,
FINANCIAL INSTITUTIONS AND PROFESSIONAL
REGISTRATION
Division 2117—Office of Statewide Electrical Contractors
Chapter 1—General Rules**

PROPOSED RULE

20 CSR 2117-1.060 Duplicate License

PURPOSE: This rule will set out the manner by which a licensee can obtain a duplicate license.

(1) A licensee may request a duplicate license by making written request to the division indicating the need for the duplicate and submitting the required fee as established by the division.

AUTHORITY: sections 324.910, RSMo Supp. 2017. Original rule filed Dec. 14, 2018.

PUBLIC COST: This proposed rule will cost state agencies or political subdivisions approximately four hundred forty dollars (\$440) annually for the life of the rule. It is anticipated that the costs will recur for the life of the rule, may vary with inflation, and are expected to increase at the rate projected by the Legislative Oversight Committee.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars (\$500) in the aggregate.

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Office of Statewide Electrical Contractors, PO Box 1335, Jefferson City, MO 65102, via facsimile at (573) 751-6301, or via email at OSEC@pr.mo.gov. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.*

PUBLIC FISCAL NOTE

I. RULE NUMBER

Title 20 - Department of Insurance, Financial Institutions and Professional Registration
Division 2117 - Office of Statewide Electrical Contractors
Chapter 1 -Definitions and General Organization
Proposed Rule - 20 CSR 2117-1.060 Duplicate License

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Annual Cost of Compliance
Office of Statewide Electrical Contractors	\$440

III. WORKSHEET

The costs for this rule are detailed in the table below and are based on the following assumptions:

- 1) Personal service costs are incurred for staff time to respond to requests for public information.
- 2) Expense and equipment costs are incurred for division expenses for preparing board agendas, request for public information, and for board member travel expenses to attend the meeting.
- 3) Transfers are costs incurred for division and staff support provided by the Division of Professional Registration (also includes data processing, cash receiving room and MIS) and costs incurred for services provided by agencies such as the Office of the Attorney General, Secretary of State and State Auditor.

Table 1 – Estimated Cost of Compliance by Category of Allocation

Category of Allocation	Licensure – 1%	Enforcement - 0%
Personal Service	\$270	\$0
Expense & Equipment	\$54	\$0
Transfers	\$117	\$0
TOTAL	\$440	\$0

IV. ASSUMPTIONS

In developing this fiscal note, the total public entity costs of the Office of Statewide Electrical Contractors were determined by using allotment figures for personal service, expense and equipment, and transfers based on the number of electrical contractors provided by the U.S. Census Bureau website from 2012 with a 3% growth estimate per year. In the future, the office will base fiscal estimates on actual costs and actual number of licensees. These annual costs will recur each year for the life of the rule; may vary with inflation; and are expected to increase annually at the rate projected by the Legislative Oversight Committee.

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