



Rules of
Department of Insurance,
Financial Institutions and
Professional Registration
Division 1140—Division of Finance
Chapter 12—Sale of Checks (Money Order) Licensees

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**Title 20—DEPARTMENT OF
INSURANCE, FINANCIAL
INSTITUTIONS AND
PROFESSIONAL REGISTRATION
Division 1140—Division of Finance
Chapter 12—Sale of Checks
(Money Order) Licensees**

**20 CSR 1140-12.010 Sale of Checks
(Money Order) Bonds**

PURPOSE: All licensees, pursuant to the Missouri sale of checks law (sections 361.700–361.727, RSMo), must post a bond or an irrevocable letter of credit to insure faithful performance and that all checks (that is, money orders and travelers checks) will be paid. This rule sets the minimum acceptable standards for those bonds or irrevocable letters of credit.

No sale of checks license will be issued or renewed without the posting of a corporate surety bond or irrevocable letter of credit in the amount of one (1) million dollars; provided, however, that a lesser bond or letter of credit in an amount equal to five (5) times the high outstanding balance of checks sold in Missouri by the applicant and its agents during the previous calendar year rounded to the nearest one thousand dollars (\$1,000) will be acceptable upon a verification of the high outstanding balance and provided further that in no event may the bond or letter of credit be less than twenty-five thousand dollars (\$25,000). Verification shall be a sworn statement, on a form provided by the director, of the high outstanding balance; documents and records to prove such sworn statement must be maintained at the principal office of the licensee and be available for examination by the Division of Finance at all reasonable times and failure to maintain such records will subject the licensee to revocation per sections 361.700–361.727, RSMo. Money order accounts must be dedicated and no funds commingled with other funds of the agent. For purposes of this rule, the high outstanding balance of checks shall mean the highest dollar amount of checks sold but not yet paid on any day. The bond or irrevocable letter of credit shall be in a form satisfactory to the director and, if a bond, shall be issued by a bonding company or insurance company authorized to do business in Missouri or, if an irrevocable letter of credit, be issued by a federally insured financial institution, to secure the faithful performance of the obligations of the applicant and the receipt, transmission and payment of the money in connection with the sale or issuance of checks. At the time an application is forwarded to an

initial applicant and at the renewal of any existing license, the applicant/renewal applicant must provide an affidavit declaring the high outstanding balance of checks sold within Missouri during the previous calendar year and must provide a bond or irrevocable letter of credit sufficient to cover all those liabilities within the limits stated here. In consideration of the tasks necessary to complete the process, compliance with the verification procedures for the licensing year which began April 15, 1995, will be considered timely if completed by July 17, 1995.

AUTHORITY: section 361.727, RSMo 2000. This rule originally filed as 4 CSR 140-12.010. Original rule filed Dec. 11, 1990, effective April 29, 1991. Emergency amendment filed March 27, 1995, effective April 14, 1995, terminated May 1, 1995. Emergency amendment filed May 1, 1995, effective May 11, 1995, expired Sept. 11, 1995. Amended: Filed March 27, 1995, effective Sept. 30, 1995. Amended: Filed Feb. 15, 2002, effective Aug. 30, 2002. Moved to 20 CSR 1140-12.010, effective Aug. 28, 2006.*

**Original authority: 361.727, RSMo 1984, amended 1993.*