Rules of
Department of Insurance, Financial Institutions and Professional Registration
Division 200—Insurance Solvency and Company Regulation
Chapter 13—Real Estate

Title | Page
--- | ---
20 CSR 200-13.100 Appraisal Requirements | 3
20 CSR 200-13.200 Mortgage Loans as Admissible Assets | 3
20 CSR 200-13.300 Real Estate Held After Ten Years (Rescinded July 30, 2019) | 4
Chapter 13—Real Estate

**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 establishes or aids in the interpretation of sections 375.330, 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 376.302 or 379.080.1(2)(f), RSMo, excluding purchase money mortgages as identified in section 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 eighty (180) days before the date the deed or mortgage is recorded in the appropriate public records;
   (B) Is a written statement that is independently and impartially prepared by a licensed or certified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by presentation and analysis of relevant market information;
   (C) Provides the current market value of the real estate, that is the value of the real estate in an arms-length sale as of the date of the appraisal; and
   (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 12 USC Section 3332; and
      2. Certified or licensed to make the appraisal by the state in which the real estate is located.

(2) Notwithstanding any provision of section (1) of this rule to the contrary, no appraisal is necessary in order to admit as an asset the holding of any debt or security issued, assumed or guaranteed by the United States, any state, territory or possession of the United States, the District of Columbia or any administration, agency, authority or instrumentality of them, but only to the extent that the debt or security is issued, assumed insured or guaranteed by any such entity.

(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 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 holds a combined mortgage loan and real estate portfolio valued at three hundred (300) million dollars or more;
   (B) The insurer has established written procedures and obtained board approval and approval by the director;
   (C) The insurer, as part of the written procedures, 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 appraisals 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
   (D) A copy of the written appraisal made under the standards of 20 CSR 200-13.100.

(4) No second mortgage loan is acceptable for depository purposes.

(5) The provisions of 20 CSR 200-4.010 are
applicable to each of the documents specified under the provisions of section (4) of this rule.


20 CSR 200-13.300 Real Estate Held After Ten Years
(Rescinded July 30, 2019)


**Op. Atty. Gen. No. 52, Leggett (12-30-55).** Stipulated premium plan life insurance companies are subject to sections 375.330 and 376.300, RSMo (1949). Restrictive provisions in section 375.330, RSMo (1949) touching purchase of realty do not apply to acquisitions by gift without valuable consideration, but do apply to subsequent holding and conveying of real estate. Common capital stock of holding company may be acquired by gift without valuable consideration by stipulated premium plan life insurance company, but subsequent holding of this stock violates section 376.300, RSMo (1949). Method of valuation of real estate acquired by stipulated premium plan life insurance company by gifts is not prescribed by statute and must be left to discretion of superintendent of Division of Insurance and company officers.