Rules of
Department of Commerce and
Insurance
Division 200—Insurance Solvency and Company
Regulation
Chapter 7—Security Deposits

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Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE
Division 200—Insurance Solvency and
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Chapter 7—Security Deposits

20 CSR 200-7.100 Corporate Bonds and
Notes as Admissible Deposits
(Rescinded May 6, 1993)

20 CSR 200-7.200 Deposit of Securities
Under a Book-Entry System

PURPOSE: This rule provides the procedures
to verify insurance company-owned securities
being held by a clearing corporation or a fed-
eral reserve bank in book-entry form and for
withdrawal procedures where these securities
are on deposit with the Department of Com-
merce and Insurance pursuant to section
400.8-108.3, RSMo.

(1) Securities Not Placed on Deposit.
   (A) A custodial agreement between the
depository (commercial bank or clearing cor-
poration) and the insurance company must be
in effect.
   1. This custodial agreement must con-
tain provisions which require the depository
to provide verification that securities actually
are on deposit.
   2. The division may require verification
from the custodian at any time it deems that
verification is appropriate. Examples of
appropriate verification documents are
attached as Exhibits A—C.
   (B) A copy of the custodial agreement must
be furnished to the insurance department for
its records on request.

(2) Securities Placed on Deposit.
   (A) An insurance company which deposits
securities in the form of book-entry receipts
in order to meet its deposit requirements shall
deposit the securities or the certificates rep-
representing the securities in a depository (com-
mercial bank or clearing corporation) design-
nated by the director of the Department of
Commerce and Insurance for safekeeping.
   (B) The designated depository shall hold
the securities or the certificates representing
the securities separate and apart from the
general assets of the depository and shall pro-
vide to the insurance company and the direc-
tor verification of securities or certificates representing the securities from time-to-time
as requested by the insurance company or the
director.
   (C) The depository shall receive and col-
cect all income from the deposited property
and shall deposit the income to the credit of
the insurance company’s account.
   (D) All or any part of the securities or cer-
tificates representing the securities on deposit
with the depository may be withdrawn only
on prior written request for withdrawal signed in the name of the insurance company
and the depository and by the director or
his/her designee.
   (E) The treasurer of the company or other
officer authorized to act on his/her behalf
from time-to-time shall certify to the deposi-
tory the names and signatures of officers of
the insurance company qualified to execute
written withdrawal requests.
   (F) The depository shall enter into custodi-
al agreements with all insurance companies
depositing securities in the form of book-
entry receipts under this rule.
   (G) The depository shall enter into a mas-
ter agreement with the department setting out
the terms and conditions under which the
depository will act as custodian of amounts
deposited pursuant to this rule.
   (H) In order to comply with the provisions
of this rule, insurance companies which have
securities deposited in the form of book-entry
receipts shall transfer these securities to the
depository designated by the director within
ninety (90) days of the date of the designa-

AUTHORITY: sections 374.045 and 400.8-108.3, RSMo Supp. 1998 and 375.460, RSMo
1994.* This rule was previously filed as 4 CSR 190-11.150. Original rule filed Jan. 15,
ed: Filed April 23, 1999, effective Nov. 30, 1999. Non-substantive change filed Sept. 11,

*Original authority: 374.045, RSMo 1967, amended 1993, 1995; 375.460, RSMo 1939; and 400.8-108.3,
EXHIBIT A

Custodian Affidavit

(For use where ownership is evidenced by book entry at Federal Reserve Bank of ______.)

STATE OF

)       SS.:   

COUNTY OF

__________________________, being duly sworn deposes and says that s/he is ______ of the

__________________________, a banking corporation organized under and pursuant to the ______ laws of the ________

with its principal place of business at ____________________________ (hereinafter called the "bank"); ______

That his/her duties involve supervision of activities of the bank as custodian and records relating thereto;

That the bank is custodian for certain securities of ______ with a place of business at ____________________ (hereinafter
called __________ the "insurance company") pursuant to an agreement between the bank and the insurance
company (NOTE: Insert Department of Insurance as party if securities are to be placed on deposit);

That it has caused certain of such securities to be credited to its book-entry account with the Federal Reserve Bank of ______

__________________________ under the Federal Reserve book-entry procedure; and that the schedule attached hereto is a true and
complete statement of the securities of the insurance company of which the bank was custodian as at the close of business
on ________ which were in a "General" book-entry account maintained in the name of the bank on the books and
records of the Federal Reserve Bank of ______________________ at such date;

That the bank has the same responsibility for the safe-keeping of such securities whether in the possession of the bank or in
said "General" book-entry account as that responsibility is specifically set forth in the agreement between the bank as
custodian and the insurance company; and

That, to the best of his/her knowledge and belief, unless otherwise shown on the schedule, said securities were the property
of said insurance company and were free of all liens, claims or encumbrances whatsoever.

__________________________
(Signature of Affiant)

Subscribed and sworn to before me this ______ day of __________________________ ,  ______

__________________________
(Notary Public)

(SEAL)

My Commission Expires: _______________________
EXHIBIT B

Custodian Affidavit

(For use in instances where a custodian bank maintains securities on deposit with a Clearing Corporation.)

STATE OF

) ss.

COUNTY OF

, being duly sworn deposes and says that s/he is

of the , a banking corporation organized under and pursuant to the

laws of the with its principal place of business at

(hereinafter called the “bank”);

That his/her duties involve supervision of activities of the bank as custodian and records relating thereto;

That the bank is custodian for certain securities of with a place of business at (hereinafter called ) (hereinafter called the “insurance company”) pursuant to an agreement between the bank and the insurance company (NOTE: Insert Department of Insurance as party if securities are to be placed on deposit);

That the bank is custodian for certain of such securities to be deposited with a Clearing Corporation; and the schedule attached hereto is a true and complete statement of the securities of the insurance company of which the bank was custodian as of the close of business on , and which were so deposited with a Clearing Corporation at such date;

That the bank as custodian has the same responsibility for the safe-keeping of such securities whether in the possession of the bank or deposited with a Clearing Corporation as that responsibility is specifically set forth in the agreement between the bank as custodian and the insurance company; and

That, to the best of his/her knowledge and belief, unless otherwise shown on the schedule, said securities were the property of said insurance company and were free of all liens, claims or encumbrances whatsoever.

________________________________________
(Signature of Affiant)

Subscribed and sworn to before me this day of ,

________________________________________
(SEAL)

(Notary Public)

My Commission Expires: ________________________
EXHIBIT C

Custodian Affidavit

(For use in instances where securities are deposited directly with a Clearing Corporation.)

STATE OF )
 ) ss:
COUNTY OF )

_____________________________________________________________________, being duly sworn deposes and says that s/he is
______________________________________________________________________
of a Clearing Corporation;

That his/her duties involve supervision of activities of a Clearing Corporation as custodian and records relating
thereto;

That a Clearing Corporation is custodian for certain securities of________________________, having a place of
business at______________________________________________________________ (hereinafter called "insurance
company") pursuant to an agreement between a Clearing Corporation and the insurance company (NOTE: Insert
Department of Insurance as party if securities are to be placed on deposit);

That the schedule attached hereto is a true and complete statement of securities which were in the custody of a
Clearing Corporation for the account of the insurance company as of the close of business on______________;

That a Clearing Corporation as custodian has the responsibility for the safekeeping of such securities (whether in
the possession of a Clearing Corporation, deposited with the Federal Reserve Bank of____________________ or
deposited with another person acting as custodian for a Clearing corporation) as that responsibility is
specifically set forth in the agreement between a Clearing Corporation as custodian and the insurance company.

That, to the best of his/her knowledge and belief, unless otherwise shown on the schedule, said securities were the
property of said insurance company and were free of all liens, claims or encumbrances whatsoever.

______________________________________________________________________
(Signature of Affiant)

Subscribed and sworn to before me this __________ day of ____________________________.

______________________________________________________________________
(Notary Public)

(SEAL)

My Commission Expires: ______________________.
20 CSR 200-7.300 Mortgage Loans as Admissible Deposits
(Rescinded July 30, 2019)