



Rules of
Department of Insurance,
Financial Institutions and
Professional Registration
Division 200—Insurance Solvency and Company
Regulation
Chapter 8—Risk Retention

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**Title 20—DEPARTMENT OF
INSURANCE, FINANCIAL
INSTITUTIONS AND
PROFESSIONAL REGISTRATION
Division 200—Insurance Solvency and
Company Regulation
Chapter 8—Risk Retention**

**20 CSR 200-8.100 Federal Liability Risk
Retention Act**

PURPOSE: This rule effectuates or aids in the interpretation of sections 148.310–148.461, 375.161, 375.786, 384.051, and 384.059, RSMo as these sections relate to risk retention groups and purchasing groups.

(1) Risk retention groups as defined in Title 15 U.S.C. section 3901(a)(4), purchasing groups as defined in Title 15 U.S.C. section 3901(a)(5) and representatives of either will be deemed in compliance with sections 375.161 and 375.786, RSMo and other relevant insurance laws upon compliance with this regulation.

(2) Terms defined in section 375.1080, RSMo have the same meaning as used in this regulation.

(3) Risk Retention Group. Every risk retention group chartered in states other than this state, seeking to do business as a risk retention group in this state, shall observe and abide by the laws of this state as follows. Each risk retention group shall register, before offering insurance in this state, with the director by submitting for approval to the director the information concerning the risk retention group as is prescribed in this rule.

(A) Notice of Operations. Any risk retention group doing business in this state shall submit to the director notice of operations consisting of—

1. A copy of its certificate of authority or license authorizing it to transact business as an insurance company, certified by the state of domicile;

2. A statement identifying the state(s) in which the risk retention group is chartered and licensed as a liability insurance company, date of chartering, its principal place of business, the states in which the group intends to operate, and such other information, including information on its membership, as the director may require;

3. The identity of the initial members of the group, the identity of those individuals who organized the group or who will provide administrative services or otherwise influ-

ence or control the activities of the group, the amount and nature of initial capitalization, the coverage to be afforded, and the states in which the group intends to operate;

4. A copy of its plan of operations or a feasibility study, and revisions to the plan of operation or feasibility study if any information contained in it changes; and

5. A statement of registration on a form provided by the director which designates the director as its agent for the purpose of receiving service of legal documents or process.

(B) Financial Condition. Any risk retention group doing business in this state shall submit to the director financial information consisting of—

1. A copy of the group's annual financial statement submitted to its state of domicile, which shall contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or a qualified loss reserve specialist (under criteria established by the National Association of Insurance Commissioners (NAIC));

2. Upon request by the director, a copy of any examination or audit performed with respect to the risk retention group; and

3. Information as may be required to verify its continuing qualification as a risk retention group.

(C) Taxation. All premiums paid for coverages within this state to risk retention groups shall be subject to taxation at the same rate and subject to the same interest, fines, and penalties for nonpayment as applicable to foreign admitted insurers. Further, each risk retention group shall report all premiums paid to it for risks insured within the state (see sections 148.340 and 148.350, RSMo).

(D) Notice to Purchasers. Any policy issued by a risk retention group, other than a risk retention group which possesses a currently valid certificate of authority to transact insurance business from the director, shall contain, in at least ten- (10-) point type on the front page and the declaration page, the notice as prescribed by section 375.1085.9, RSMo.

(E) Licensing.

1. A risk retention group shall solicit members in Missouri only through insurance producers licensed by the director for the property and casualty line of authority.

2. An insurance producer licensed by the director for the property and casualty line of authority, on behalf of a client seeking insurance, may place insurance with any duly registered purchasing group or risk retention group in the same manner as placing insur-

ance with an authorized insurance company.

(F) Compliance With Unfair Claims Settlement Practices Law. Any risk retention group shall observe and comply with the laws of this state concerning unfair claims settlement practices.

(G) Deceptive, False, or Fraudulent Practices. Any risk retention group shall comply with the laws of this state regarding deceptive, false, or fraudulent acts or practices.

(H) Review by Director. The director shall review the information submitted by each risk retention group as provided in this rule to determine that the group is not in a hazardous financial condition or financially impaired. The director is authorized to prohibit the solicitation or sale of insurance in this state by, or the operation of, a risk retention group that is in a hazardous financial condition or which is financially impaired. In any investigation of the financial condition of an applicant risk retention group, the director may take into account the premium structure indicated in the rating classification schedules submitted by that group.

(I) Application for Registration.

1. All new applicants for registration must complete and file with the director the Application for Registration and submit a one hundred dollar (\$100) registration fee with the application.

2. All currently registered risk retention groups must pay an annual renewal fee of one hundred dollars (\$100) beginning on July 1, 1991. Failure to pay the renewal fee will result in a forfeiture of registration.

3. Every risk retention group must notify the director of any material change to the information on the Application for Registration within thirty (30) days. Failure to update its Application for Registration accordingly will result in a forfeiture of a risk retention group's registration status.

(4) Purchasing Group. Every purchasing group seeking to do business in this state shall register with the director by submitting for approval to the director the information concerning the purchasing group as is prescribed in this rule.

(A) Notice of Operations. Any purchasing group doing business in this state shall submit to the director notice of operations consisting of a sworn statement—

1. Identifying the state(s) in which the purchasing group is domiciled, its principal place of business, the state(s) in which the group intends to operate, and such other information, including information on its membership, as the director may require;



2. Listing the lines and classifications of liability insurance which the purchasing group intends to purchase;

3. Identifying the insurance company from which the group intends to purchase insurance and the domicile of the company; and

4. Stating that to the best of the affiant's knowledge the purchasing group has not and will not purchase from a risk retention group that is not licensed by the director as an insurance company or an eligible surplus lines insurer in Missouri.

(B) Any purchasing group doing business in this state shall submit to the director information as may be required to verify its continuing qualification as a purchasing group.

(C) Service of Process. Any notice of operation under subsection (4)(A) of this rule shall be accompanied by a statement of registration on a form provided by the director which designates the director as the purchasing group's agent for the purpose of service of process.

(D) Taxes.

1. A purchasing group which purchases insurance from a nonadmitted insurer shall be subject to the surplus line premium tax under section 384.051 or 384.059, RSMo, whichever is applicable, for risks resident, located, or to be performed in this state.

2. An admitted insurer which insures the members of a purchasing group shall treat the premiums of members with risks resident, located, or to be performed in this state as premiums subject to premium tax under sections 148.310–148.461, RSMo.

(E) Application for Registration.

1. All new applicants for registration must complete and file with the director the Application for Registration and submit a one hundred dollar (\$100) registration fee with the application.

2. All currently registered purchasing groups must pay an annual renewal fee of one hundred dollars (\$100) beginning on July 1, 1991. Failure to pay the renewal fee will result in a forfeiture of registration.

3. Every purchasing group must notify the director of any material change to the information in the Application for Registration within thirty (30) days. Failure to update its Application for Registration accordingly will result in a forfeiture of a purchasing group's registration status.

(F) Licensing.

1. A purchasing group located in Missouri shall procure insurance with an admitted company only through an insurance producer licensed by the director for the

property and casualty line of authority, or insurance with a nonadmitted company only through a surplus lines broker licensed by the director.

2. Any purchasing group soliciting members in Missouri shall do so only through an insurance producer licensed by the director for the property and casualty line of authority.

AUTHORITY: sections 374.045, 375.161, 375.786, 375.1080, 375.1082, 375.1085, 375.1090, 375.1092, 375.1095, 375.1102, 375.1105, 384.051, and 384.059, RSMo 2016. This rule was previously filed as 4 CSR 190-II.190. Original rule filed Aug. 12, 1988, effective Jan. 13, 1989. Amended: Filed Feb. 4, 1991, effective July 8, 1991. Amended: Filed April 23, 1999, effective Nov. 30, 1999. Amended: Filed July 12, 2002, effective Feb. 28, 2003. Amended: Filed March 8, 2019, effective Sept. 30, 2019.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995, 2008; 375.161, RSMo 1939, amended 1967; 375.786, RSMo 1972, amended 1977, 1993, 1998, 2007, 2014; 375.1080, RSMo 1991; 375.1082, RSMo 1991, amended 1992; 375.1085, RSMo 1991, amended 1992; 375.1090, RSMo 1991; 375.1092, RSMo 1991, amended 1992; 375.1095, RSMo 1991; 375.1102, RSMo 1991; 375.1105, RSMo 1991; 384.051, RSMo 1987, amended 1989, 2009, 2011; and 384.059, RSMo 1987, amended 1989.*