



**Rules of
Department of Insurance,
Financial Institutions and
Professional Registration
Division 600—Statistical Reporting
Chapter 2—Credit Insurance**

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**Title 20—DEPARTMENT OF
INSURANCE, FINANCIAL
INSTITUTIONS AND
PROFESSIONAL REGISTRATION
Division 600—Statistical Reporting
Chapter 2—Credit Insurance**

**20 CSR 600-2.100 Life and Accident and
Sickness**
(Rescinded July 30, 2019)

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 Rescinded: Filed Dec. 13, 2018, effective July 30, 2019.

Survivors Gen. Ins. Co. v. Farmer, 514 SW2d 565 (Mo. 1974). Superintendent of insurance has the duty to approve or disapprove life insurance contracts and forms and no contract or form may be used in Missouri without the approval of the superintendent.

Op. Atty. Gen. No. 385, Manford, (10-17-67). Insurance upon the lives of installment credit accountholders must be made pursuant to section 408.250, RSMo 1965. Companies issuing such insurance must be authorized to do business in Missouri.

**20 CSR 600-2.110 Credit Life and Accident
and Sickness Rates**

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) 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 may be determined to be reasonable if they are actuarially consistent with the rates set

forth in subsection (1)(A).

(2) Regarding credit accident and sickness insurance—

(A) Premium rates for credit accident and sickness insurance are presumed reasonable if consistent with the schedule stated in section 385.070.1(2), RSMo or, if premiums are paid on the basis of a premium rate per month per thousand dollars of outstanding insured indebtedness, if premium rates are computed according to the following formula, or according to a formula, approved by the director which produces rates actuarially equivalent to the single premium rates:

$$Op_n = \frac{20}{n+1} Sp_n$$

Where

Sp_n = Single Premium Rate per \$100 of initial insured indebtedness repayable in n equal monthly installments;

Op_n = Monthly Outstanding Balance Premium Rate per \$1,000; and

n = Original repayment period, in months.

(3) An insurer may receive approval of a different premium rate in accordance with section 385.070.1(6), RSMo.

(4) Insurers may use the same application forms under this rule whether or not underwriting questions are asked. 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 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 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, effective July 30, 2019.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995, 2008; 385.045, RSMo 1977, amended 1981, 1995; and 385.070, RSMo 1977, amended 1983, 1991, 1992.*

**20 CSR 600-2.120 Refund of Credit
Insurance Premiums**
(Rescinded July 30, 2019)

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, effective July 30, 2019.

**20 CSR 600-2.200 Credit Property
Insurance**

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, 385.010 to 385.080, and 408.280, RSMo.

(1) Scope. 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 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 includes any credit transaction for household, personal, or family use;

(C) Dealer means any person who extends credit for household, personal, or family use or any successor to a creditor's rights;

(D) Lender is any person engaged in the business of making consumer credit loans as



defined in section 367.100.2, RSMo and any assignee of a consumer credit loan agreement to include registrants under Chapter 367, RSMo, state banking associations, savings and loan associations, national banking associations to the extent that federal laws do not preempt this regulation, credit unions, and any director, officer, employee, or insurance producer of such a person; and

(E) Credit property insurance has the same meaning as in section 385.020.1(5), RSMo.

(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.

(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.

(5) Cancellation Refund Computation. All refunds of any insurance sold subject to this regulation shall be made upon the *pro rata* refund computation tables.

AUTHORITY: sections 374.045, 374.190, 375.012, 375.041, 375.158, 375.936, 379.318, 379.356, 379.470, and 408.280, RSMo 2016. This rule was previously filed as 4 CSR 190-16.110. Original rule filed Sept. 11, 1975, effective Nov. 15, 1975. Amended: Filed Sept. 12, 1975, effective Nov. 15, 1975. Amended: Filed Aug 14, 1984, effective Jan. 12, 1985. Amended:*

Filed Dec. 1, 1997, effective May 30, 1998. Amended: Filed July 12, 2002, effective Jan. 30, 2003. Amended: Filed Dec. 13, 2018, effective July 30, 2019.

**Original authority: 374.045, RSMo 1967, amended 1993, 1995, 2008; 374.190, RSMo 1939, amended 1949, 1967, 1992; 375.012, RSMo 1961, amended 1965, 1967, 1981, 1993, 1997, 2001, 2007; 375.041, RSMo 1985, amended 1992; 375.158, RSMo 1939, amended 1965, 1967, 1993, 2001; 375.936, RSMo 1959, amended 1967, 1969, 1971, 1976, 1978, 1983, 1991; 379.318, RSMo 1972; 379.356, RSMo 1972, amended 2001; 379.470, RSMo 1947, amended 2015; and 408.280, RSMo 1961, amended 1989.*

20 CSR 600-2.300 Involuntary Unemployment

(Rescinded July 30, 2019)

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, effective July 30, 2019.

20 CSR 600-2.400 Credit Dismemberment Insurance

PURPOSE: This rule is designed to regulate the sale of credit dismemberment insurance. It makes the requirements concerning credit dismemberment insurance in 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 is subject to the following requirements, restrictions, and qualifications:

(A) Persons Insured. Credit dismemberment insurance may be written on no more than one (1) person on any contract;

(B) Written Evidence of Coverage. The debtor must be provided with a copy of the dismemberment policy or certificate of insurance within thirty (30) days of the extension of credit;

(C) Availability. The debtor must be able to purchase credit dismemberment insurance as a separate and distinct coverage if the debtor so desires. Credit dismemberment insurance

which only may be purchased in conjunction with the purchase of some other form of insurance is not permitted;

(D) Cancellation. Credit dismemberment insurance 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.

(2) Credit dismemberment insurance for which no identifiable charge is made to the debtor is exempt from this regulation.

AUTHORITY: section 374.045, RSMo 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, effective July 30, 2019.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995, 2008 and for Chapter 385, see Missouri Revised Statutes.*

20 CSR 600-2.500 Credit Life and Accident and Sickness Premium Rates

(Rescinded July 30, 2019)

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, effective July 30, 2019.

20 CSR 600-2.510 Time Periods and Termination of Credit Accident and Sickness Insurance

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 and to implement sections 376.405, 376.777, and 385.045, RSMo.



(1) All credit accident and sickness policy and certificate forms filed pursuant to section 385.045, RSMo shall contain provisions that comply with the following:

(A) If the creditor and/or insurance company accepts a premium for credit accident and sickness insurance effecting coverage after any terminating age date specified in that insurance contract then that coverage will be extended until the end of the period for which that premium was paid, whether paid periodically or by single term; and

(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 instead recognize the time elapsed under the provisions of the original policy or certificate in satisfaction of the time limit on certain defenses.

(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.

AUTHORITY: sections 374.045, 385.070, and 385.075, RSMo 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, effective July 30, 2019.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995, 2008; 385.070, RSMo 1977, amended 1983, 1991, 1992; and 385.075, RSMo 1977.*

AUTHORITY: sections 374.045, 376.405, and 376.777, RSMo 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, effective July 30, 2019.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995, 2008; 376.405, RSMo 1959, amended 1984, 2013; and 376.777, RSMo 1959, amended 1984, 2013.*

20 CSR 600-2.600 Credit Insurance— Indirect Compensation

PURPOSE: This rule advises insurance companies of factors that the director will consider in determining what is indirect compensation which might lead to violations of the forty percent commission cap limit that may be paid to creditors under Chapter 385, RSMo.

(1) Insurance companies investing in Certificates of Deposit with financial institutions which are the purveyors of the company's credit insurance shall obtain the highest rates of return available on the investment of similar sums of money in the certificates at the time of investment. To determine the highest rate of return payable on the Certificates of Deposit, the director will review the rate of interest being paid by the financial institution to all commercial investors on similar sums of money and the rate of return received by the insurance company on all other Certificates of Deposit invested at approximately the same time with financial institutions which are not purveyors of its credit insurance together with any other pertinent information.