
**Rules of
Department of Insurance
Division 700—Licensing
Chapter 1—Agents, Brokers and Agencies**

Title	Page
20 CSR 700-1.010 Agents’ Examination and Licensing Procedures and Standards	3
20 CSR 700-1.020 Activities Requiring Licensure as Agent or Broker	3
20 CSR 700-1.030 Certification Letters Submitted With Agent’s and Broker’s License Applications	4
20 CSR 700-1.040 Clearance Letters	4
20 CSR 700-1.050 Payments of Earned Commissions	4
20 CSR 700-1.060 Retrospective Commission Contracts Prohibited	5
20 CSR 700-1.070 Coverages Permitted to be Sold Under Credit License	5
20 CSR 700-1.080 Representatives of Reciprocal and Interinsurance Exchanges to be Licensed	5
20 CSR 700-1.090 Fiduciary Duty of Broker	5
20 CSR 700-1.100 Insurance Brokers.....	6
20 CSR 700-1.110 Licensing of Agencies	8
20 CSR 700-1.120 Certain Representatives of Prepaid Dental Corporations to be Licensed	11
20 CSR 700-1.130 Appointment of Agents.....	11
20 CSR 700-1.135 Forms for Filing Notice of Appointment of Agents and Notice of Termination of Appointment of Agents	11
20 CSR 700-1.140 Minimum Standards of Competency and Trustworthiness for Agents, Agencies and Brokers Concerning Personal Insurance Transactions	12

Title 20—DEPARTMENT OF INSURANCE

Division 700—Licensing Chapter 1—Agents, Brokers and Agencies

20 CSR 700-1.010 Agents' Examination and Licensing Procedures and Standards

PURPOSE: This regulation explains insurance agents' licensing standards and procedures. This regulation is promulgated pursuant to section 374.045, RSMo and implements sections 375.012–375.027, RSMo.

(1) Examination Procedures.

(A) Before an individual may be licensed to sell certain classes of insurance, s/he must first take and pass an examination testing both the individual's knowledge regarding the class(es) of insurance the individual proposes to sell and the individual's knowledge of the insurance statutes and regulations. The examination must be taken and passed prior to submitting an application for a license to the Department of Insurance. The classes of insurance for which an examination is required prior to licensure are life insurance, accident and health insurance, fire and allied lines insurance and general casualty insurance.

(B) The department contracts with an independent testing service, which administers the examinations referred to in subsection (1)(A). In order to take an examination, an individual must register and pay the appropriate fee to the independent testing service designated by the department. Instructions may be obtained from the independent testing service or the Department of Insurance.

(C) Once an individual has passed an examination, s/he has one (1) year from the date of the examination in which to submit an application for licensure to the Department of Insurance. Failure to submit an application within this time period will necessitate the individual taking and passing the examination again before s/he may be licensed.

(2) Application Required.

(A) The application required by section 375.018, RSMo shall be completed on the form approved by the director of insurance by each applicant for licensure before any license is issued.

(B) Each application shall be accompanied by an application fee of twenty-five dollars (\$25).

(C) All fees must be paid by money order, cashier's check, company check or agency check. No fee shall be refundable.

(D) A license will be issued only when the applicant has satisfactorily completed the

requirements of sections 375.016–375.018, RSMo and of this regulation and the director has not refused to issue the license pursuant to section 375.141.2, RSMo.

(3) Special Licenses.

(A) Variable Contracts. Any licensed life insurance agent may be licensed to sell variable annuities and variable life insurance policies upon the submission of an application for same and a copy of the agent's National Association of Securities Dealers registration or Securities and Exchange Commission certification, and the twenty-five dollar (\$25) application fee.

(B) Title. A license to sell title insurance shall be issued to any natural person pursuant to section 375.018, RSMo upon receipt of a completed application and the twenty-five dollar (\$25) application fee.

(C) Credit. A license to sell credit life, credit accident and health, credit property and credit casualty shall be issued pursuant to section 375.018, RSMo to any natural person upon receipt of a completed application and a twenty-five dollar (\$25) application fee.

(D) Travel. A license to write insurance policies covering the risk of travel shall be issued pursuant to section 375.018, RSMo to any natural person upon receipt of a completed application and a twenty-five dollar (\$25) application fee.

(4) Natural persons who are not residents of Missouri may be licensed as agents in this state upon receipt of a completed application, the certification of the proper official of the agent's resident state that s/he is licensed in that state for the lines for which s/he wishes to be licensed in this state and a twenty-five dollar (\$25) application fee.

(5) The biennial renewal fee for an agent's license is twenty-five dollars (\$25). An agent's license shall be renewed biennially on the anniversary date of issuance and continue in effect until refused, revoked or suspended by the director in accordance with section 375.141, RSMo. If the biennial renewal fee for the license is not paid within ninety (90) days after the biennial anniversary date, the license terminates as of ninety (90) days after the biennial anniversary date.

(A) In those situations where a person is licensed as both an agent and a broker, the director will implement a one (1)-time change in the expiration date of the agent's license such that both licenses will expire on the same date, which date shall coincide with the first renewal date of the broker's license following the expiration date of the agent's license.

AUTHORITY: section 374.045, RSMo Supp. 1998.* This rule was previously filed as 4 CSR 190-12.020. Original rule filed Aug. 5, 1974, effective Aug. 15, 1974. Amended: Filed Dec. 23, 1975, effective Jan. 2, 1976. Amended: Filed July 15, 1976, effective Dec. 20, 1976. Amended: Filed Oct. 14, 1977, effective March 13, 1978. Amended: Filed July 12, 1979, effective Nov. 15, 1979. Amended: Filed Oct. 14, 1981, effective Jan. 15, 1982. Amended: Filed Dec. 14, 1982, effective April 11, 1983. Emergency amendment filed May 30, 1985, effective June 10, 1985, expired Oct. 8, 1985. Amended: Filed Jan. 17, 1986, effective June 28, 1986. Amended: Filed July 5, 1988, effective Nov. 1, 1988. Amended: Filed Feb. 16, 1994, effective Aug. 28, 1994. Amended: Filed April 12, 1999, effective Nov. 30, 1999.

*Original authority 374.045, RSMo 1967, amended 1993, 1995.

Op. Atty. Gen. No. 145, Scharz (9-15-66). A corporation may not be a licensed insurance agent. Therefore, an insurance company cannot pay agent a commission to a corporate insurance agency.

20 CSR 700-1.020 Activities Requiring Licensure as Agent or Broker

PURPOSE: This rule effectuates and aids in the interpretation of the definitions of insurance agent and broker as stated in sections 375.012, RSMo and 381.031(17), RSMo by outlining those activities for which licensure is required.

(1) Solicitation of an Insurance Contract.

(A) Unless otherwise specifically provided by section 375.012, RSMo, no person shall solicit an insurance contract in Missouri unless s/he is a licensed insurance company, its employee or an agent or broker.

(B) Solicitation of an insurance contract includes, but is not limited to, the following activities:

1. Advising a prospective purchaser on the effects of his/her age, health or other risk-related conditions with respect to purchasing a particular policy;

2. Counseling any prospective purchaser to buy a particular policy or to insure with a particular company;

3. Initiating sales over the telephone;

4. Advising an insured to purchase additional insurance when receiving payment for existing business;

5. Signing an application or an order for insurance;

6. Making or proposing to make an insurance contract;

7. Counseling a prospective purchaser regarding the terms or rates for a particular policy or policy; and

8. Advising a prospective purchaser on the terms of existing coverage.

(2) Negotiation of an Insurance Contract.

(A) Unless otherwise specifically provided by section 375.012, RSMo, no person shall negotiate an insurance contract between an insured and a third party in Missouri unless s/he is a licensed insurance company, its employee or an agent or broker.

(B) Negotiation of an insurance contract includes, but is not limited to, the following activities:

1. Advising a prospective purchaser on the premium cost of a proposed contract of insurance, including the quoting of rates;

2. Advising a prospective purchaser on the coverages or terms of a proposed contract of insurance, including counseling as to which coverages to buy; or

3. Recommending or independently initiating additions or deletions to an insured's policy.

(3) Procurement of an Insurance Contract.

(A) Unless otherwise specifically provided by section 375.012, RSMo, no person shall procure an insurance contract in Missouri unless s/he is a licensed insurance company, its employee or an agent or broker.

(B) Procurement of an insurance contract includes, but is not limited to, the following activities:

1. Signing binders, certificates of insurance, commitments, endorsements, insurance identification cards and insurance policies;

2. Indicating that the requested coverage is or will be bound or issued; or

3. Issuing certificates of insurance, endorsements, binders, commitments, insurance policies or insurance identification cards except when done by a group policyholder.

(4) Duty to Have Insurance Agent/Broker at Each Place of Business.

(A) Each place of business of an agent, broker or agency must contain the principal office of at least one (1) licensed agent or broker.

(B) A licensed agent or broker shall be held responsible for all insurance-related activities performed by an unlicensed individual under the supervision of that agent or broker.

(5) Discipline for Violation. The director of the Missouri Department of Insurance may institute disciplinary action for violations of

this regulation in accordance with the provisions of section 375.141, RSMo and any other applicable law.

AUTHORITY: sections 374.045, RSMo Supp. 1993, 375.012, RSMo 1986 and 381.031.17., RSMo Supp. 1989. This rule was previously filed as 4 CSR 190-12.025. Original rule filed Dec. 1, 1989, effective June 30, 1990.*

**Original authority: 374.045, RSMo 1967, amended 1993; 375.012, RSMo 1965, amended 1967; and 381.031, RSMo 1987.*

20 CSR 700-1.030 Certification Letters Submitted With Agent's and Broker's License Applications

PURPOSE: This regulation provides the definition of a certification letter and aids and effectuates licensing standards and procedures as outlined in section 375.018.2(1), RSMo.

(1) A certification letter as used in this rule is a statement from an agent's or broker's resident state certifying that the agent or broker is licensed in that state and is in good standing with that state. The statement also includes the signature of the head of that resident state's insurance regulatory agency and his/her official seal.

(2) A certification letter submitted with an application for a nonresident license must be dated no earlier than six (6) months prior to the date the application is received by the Missouri Department of Insurance.

(3) Failure to submit a properly dated certification letter will cause all application materials to be returned to the agent or broker.

AUTHORITY: sections 375.014, 375.016, 375.017 and 375.018, RSMo 1986. This rule was previously filed as 4 CSR 190-12.026. Original rule filed Jan. 11, 1990, effective May 1, 1990.*

**Original authority: 375.014, RSMo 1965, amended 1967; 375.016, RSMo 1965, amended 1967, 1981; 375.017, RSMo 1967, amended 1981; and 375.018, RSMo 1965, amended 1967, 1981, 1984, 1985.*

20 CSR 700-1.040 Clearance Letters

PURPOSE: This regulation provides the definition of a clearance letter and aids and effectuates licensing standards and procedures as outlined in section 375.018.5(3), RSMo.

(1) Definition. Clearance letter as used in this rule is a statement from another state certifying that the agent or broker held, within one (1) year next proceeding the date of application, the same kind of license as applied for in this state, passed a written examination and fulfilled study requirements comparable to those required in this state. The statement also includes the signature of the head of the insurance regulatory agency of the state from whom the agent or broker held the same kind of license and his/her official seal.

(2) A clearance letter submitted with an application for a resident license must be dated no earlier than six (6) months prior to the date the application is received by the Missouri Department of Insurance.

(3) Failure to submit a properly dated clearance letter will cause all application material to be returned to the agent or broker.

AUTHORITY: sections 375.012, 375.014, 375.016, 375.017 and 375.018, RSMo 1986. This rule was previously filed as 4 CSR 190-12.027. Original rule filed Jan. 11, 1990, effective May 1, 1990.*

**Original authority: 375.012 and 375.014, RSMo 1965, amended 1967; 375.016, RSMo 1965, amended 1967, 1981; 375.017, RSMo 1967, amended 1981; and 375.018, RSMo 1965, amended 1967, 1981, 1984, 1985.*

20 CSR 700-1.050 Payment of Earned Commissions

PURPOSE: This rule permits some commissions fully earned while licensed to be paid after the termination of licensure. This regulation was promulgated pursuant to authority granted by section 374.045, RSMo and implements sections 375.012, 375.014, 375.018 and 375.071, RSMo.

Commissions Receivable Upon Termination. Where an agent's, agency's or broker's license is terminated before the full amount of commissions earned during the period of licensure has been received, the amount earned and not received may be paid.

AUTHORITY: sections 374.045, RSMo Supp. 1993, 375.012, 375.014, 375.018 and 375.071, RSMo 1986. This rule was previously filed as 4 CSR 190-12.030. Original rule filed Dec. 20, 1974, effective Dec. 30, 1974. Amended: Filed Oct. 14, 1977, effective March 13, 1978. Amended: Filed Jan. 15, 1981, effective Aug. 24, 1981.*

**Original authority: 375.045, RSMo 1967, amended 1993; 375.012 and 375.014, RSMo 1965, amended 1967,*

375.018, RSMo 1965, amended 1967; 1981, 1984, 1985; and 375.071, RSMo 1961, amended 1967, 1984.

20 CSR 700-1.060 Retrospective Commission Contracts Prohibited

PURPOSE: This regulation specifies restrictions on the authority of agents to settle claims when they profit directly from the refusal to pay claims. This regulation was adopted pursuant to the provisions of section 374.045, RSMo and implements sections 375.141 and 375.445, RSMo.

(1) Retrospective Commission Contracts Prohibited. No insurance company licensed or authorized to do business in Missouri may use any plan of payment to its agents or brokers or other producers by which the company receives an agreed portion of its earned premium free from any normal claims and allows any agent, broker or other person to pay all normal claims from the remainder and retain as his/her compensation the money not paid to claimants.

(2) Profit Sharing Permitted. Commission agreements may contain a provision for varying the amount of commission paid an at, agency or broker with the loss experience of the policies s/he has written, provided the company is directly liable for and does pay claims and the agent, agency or broker has no authority to deny or refuse to pay or compromise any claim.

(3) Records Required. Copies of all these agreements shall be maintained as business records by both the company and the producer for three (3) years for inspection by the director or his/her duly appointed agent.

AUTHORITY: sections 374.045 and 375.141, RSMo Supp. 1993 and 375.445, RSMo (1986). * This rule was previously filed as 4 CSR 190-10.050. Original rule filed Dec. 20, 1974, effective Dec. 30, 1974. Amended: Filed Feb. 14, 1975, effective March 1, 1975. Amended: Filed July 15, 1976, effective Dec. 20, 1976.

*Original authority: 374.045, RSMo 1967, amended 1993; 375.141, RSMo 1961, amended 1965, 1967, 1981, 1984, 1989, 1993; and 375.445, RSMo 1967.

20 CSR 700-1.070 Coverages Permitted to be Sold Under Credit License

PURPOSE: This regulation describes what coverages may be sold under a limited credit license. This regulation is adopted pursuant

to the provisions of section 374.045, RSMo and implements section 375.018.4(5), RSMo.

(1) No credit life insurance may be sold by a licensee exempted from examination by section 375.018.5(4), RSMo which—

(A) Is issued upon the life of any person other than the debtor(s);

(B) Exceeds the term of indebtedness it secures except as provided in section 385.035, RSMo; or

(C) Exceeds at any time the amount of the indebtedness it secures except when—

1. Caused by voluntary prepayment of a portion of the loan;

2. The insurance is written on agricultural credit transaction commitments;

3. The insurance is written on educational credit transaction commitments; or

4. Insurance is written on residential real estate-secured credit transaction commitments. In addition, no credit life insurance that contains a conversion privilege may be sold by the licensee.

(2) No credit accident and sickness insurance may be sold unless that policy does not exceed the amount or term of the indebtedness it secures issued only upon the health of the debtor.

(3) Property insurance under section 375.018.5(4), RSMo may be written under license provided it meets the following provisions:

(A) Covers only that tangible personal property pledged as collateral for a loan except as otherwise permitted by section 408.140, RSMo;

(B) Provides only physical damage coverage in the case of automobiles, for example, collision and comprehensive;

(C) Provides only the standard fire policy with extended coverage in the case of collateral other than automobiles; and

(D) Provides coverage no greater in amount than the total amount of the underlying indebtedness.

AUTHORITY: sections 374.045, RSMo Supp. 1993 and 375.018.5(4), RSMo 1986. * This rule was previously filed as 4 CSR 190-12.040. Original rule filed Dec. 20, 1974, effective Dec. 30, 1974. Amended: Filed May 13, 1975, effective June 20, 1975. Amended: Filed Aug. 16, 1977, effective Dec. 11, 1977. Amended: Filed Feb. 1, 1989, effective July 1, 1989. Amended: Filed Feb. 5, 1990, effective May 1, 1990.

*Original authority: 374.045, RSMo 1967, amended 1993; 375.018.5(4), RSMo 1965, amended 1967, 1981, 1984, 1985.

20 CSR 700-1.080 Representatives of Reciprocal and Interinsurance Exchanges to be Licensed

PURPOSE: This regulation requires representatives of reciprocal and interinsurance exchanges to be licensed. This regulation is adopted pursuant to the provisions of section 374.045, RSMo and implements sections 375.012, 375.014, 375.016 and 375.018, RSMo.

(1) All persons who represent interinsurance exchanges or the attorney-in-fact for the exchanges and whose compensation is in part or in whole paid in the form of commissions on the business written or a portion of the deposit shall be duly licensed by this department.

(2) This order shall not apply to salaried representatives of the attorney-in-fact.

AUTHORITY: sections 374.045, RSMo Supp. 1993, 375.012, 375.014, 375.016 and 375.018, RSMo 1986. * This rule was previously filed as 4 CSR 190-12.050. Original rule filed Dec. 5, 1969, effective Dec. 15, 1969. Amended: Filed Aug. 5, 1974, effective Aug. 15, 1974.

*Original authority: 374.045, RSMo 1967, amended 1993; 375.012 and 375.014, RSMo 1965, amended 1967; 375.016, RSMo 1965 amended 1967, 1981; and 375.018, RSMo 1965, amended 1967, 1981, 1984, 1985.

20 CSR 700-1.090 Fiduciary Duty of Broker

PURPOSE: This regulation explains the fiduciary duty of a broker to the insured. This regulation was adopted pursuant to the provisions of section 374.045, RSMo and implements section 375.121, RSMo.

Broker's Duty to Insured. The fiduciary duty imposed by law upon an insurance broker shall run from the broker to the insured and not to the insurer. This duty of an insurance broker to a prospective insured shall include the primary duty of first using any funds received from the prospective insured to pay the premium for the insurance requested.

AUTHORITY: sections 374.045, RSMo Supp. 1993 and 375.121, RSMo 1986. * This rule was previously filed as 4 CSR 190-12.060. Original rule filed Dec. 20, 1974, effective Dec. 30, 1974.

*Original authority: 374.045, RSMo 1967, amended 1993 and 375.121, RSMo 1961, amended 1967.

20 CSR 700-1.100 Insurance Brokers

PURPOSE: This regulation explains insurance brokers' licensing standards and procedures in Missouri.

(1) Prelicensing Education and Examination. Any individual who wishes to be licensed as an insurance broker must successfully complete the prelicensing education requirements, and take and pass an examination. The procedure to be followed is set out in 20 CSR 700-1.010(1).

(A) The director shall waive the examination and the prelicensing education requirements for a person applying for a broker's license if the applicant is a Missouri resident at the time of application, and provided the applicant has a current resident agent's license in more than one (1) line of insurance, which license shall have been issued at least five (5) years prior to the date of application for a broker's license. Only the prelicensing education requirements and examination(s) in those lines for which the applicant has had a resident agent's license for five (5) years prior to the date of application for a broker's license will be waived pursuant to the provisions of this section.

(2) Application.

(A) Each applicant for a broker license shall file with the director of the Department of Insurance a completed application on the form prescribed by the director.

(B) Every application shall be accompanied by a one hundred dollar (\$100)-application fee pursuant to section 375.076, RSMo. All fees must be paid by money order, cashier's check, company check, or agency check. Fees are not refundable.

(C) Every nonresident applicant also shall submit a certified statement from the insurance regulatory official in the applicant's domiciliary state listing the lines of insurance for which the applicant is licensed in that state.

(D) The fee to accompany a nonresident broker license shall be one hundred dollars (\$100).

(3) License Renewals.

(A) There will be a biennial renewal fee of one hundred dollars (\$100) for a broker license.

(B) If the broker's license renewal fee is not paid on or before ninety (90) days after the biennial renewal date, the license shall terminate and cannot be reinstated unless and until a late fee of twenty-five dollars (\$25) per month or fraction thereof after the biennial anniversary date is paid. Upon payment of the entire amount due under this provision,

the license will be reinstated, effective back to the biennial anniversary date.

(C) In those situations where a person is licensed as both an agent and a broker, the director will implement a one (1)-time change in the expiration date of the agent's license such that both licenses will expire on the same date, which date shall coincide with the first renewal date of the broker's license following the expiration date of the agent's license.

(4) Notification. Every broker shall notify the director of those insurance companies, agents, agencies and surplus lines brokers with whom s/he places risks. This notification shall take place within ten (10) days after s/he places the first risk with the insurance company or surplus lines broker, agent or agency. Every broker also shall notify immediately the director when s/he no longer intends to place these risks with the insurance company or surplus lines broker agent or agency on a regular basis.

(5) Brokers' Service Agreements.

(A) The form set forth in Exhibit A is approved for use as specified in section 375.116, RSMo. Substantially equivalent forms may be approved by the director where they contain additional provisions and do not affect the content of Exhibit A. Any such agreement must be a separate document from any other form or contract.

(B) A separate agreement shall be completed for each contract of insurance negotiated or procured where broker's compensation falls within the requirements of section 375.116.3, RSMo. Each broker shall retain one (1) copy of this in his/her office for three (3) years and deliver one (1) copy to the insured.

(6) Brokers Applying for an Insurance Agent's License. Any broker who applies for an insurance agent's license covering the same line(s) of insurance covered by his/her insurance broker's license will be deemed to have met the prelicensing educational requirements and the examination(s) will be waived for those lines of insurance. If the broker applies for one (1) or more lines of insurance for which s/he is not licensed as a broker, the broker will need to fulfill the prelicensing education requirements and pass the examination(s) for those lines before s/he will be issued an insurance agent's license for those lines.

AUTHORITY: sections 374.045, RSMo Supp. 1998 and 375.071-375.136, RSMo 1994 and Supp 1998. This rule was previously filed as 4 CSR 190-12.080. Original rule filed Dec.*

23, 1975, effective Jan. 2, 1976. Amended: Filed Oct. 14, 1981, effective Jan. 15, 1982. Amended: Filed Jan. 17, 1986, effective June 28, 1986. Amended: Filed Oct. 15, 1996, effective May 30, 1997. Amended: Filed April 12, 1999, effective Nov. 30, 1999.

**Original authority: 374.045, RSMo 1967, amended 1993, 1995 and 375.071-375.136, see Revised Statutes of the State of Missouri, 1994 and Cumulative Supplement, 1998.*



**Exhibit A
Missouri Brokers Service
Contract**

1. The undersigned insured hereby engages the services of _____, a licensed Missouri insurance broker, license # _____, as his/her agent for the purpose of securing, negotiating and procuring the placement of the following described insurance coverages and to assist the undersigned in the preparation of any and all applications, underwriting data, and other information required by an insurer for the purposes of issuing an insurance policy within this state. The insurance coverage requested is: (Here describe in detail the coverage to be effected.)

2. The undersigned insured authorizes the broker to commit to a maximum premium of not more than _____ per _____ for the above-stated coverage. The undersigned insured agrees to pay as compensation to the broker, above and in addition to the commission received from the insurer, for the various services of the broker a fee of not more than \$ _____.

3. A brief description of those brokers services performed and not described in paragraph 1. above is: _____

This agreement is in furtherance of section 375.116, RSMo (1986) and Missouri Department of Insurance Regulation 20 CSR 700-1.100.

Dated: _____
(Insured)

Dated: _____
(Broker)



20 CSR 700-1.110 Licensing of Agencies

PURPOSE: This regulation explains insurance agency licensing standards and procedures in Missouri. This regulation was adopted pursuant to the provisions of section 374.045, RSMo and implements and interprets sections 375.012 and 375.061, RSMo.

375.014, 375.016, 375.017, 375.018, 375.019, 375.020, 375.021, 375.025, 375.027, 375.031, 375.033, 375.035, 375.037, 375.039, 375.041, 375.046, 375.051 and 375.061 RSMo 1994. This rule was previously filed as 4 CSR 190-12.090. Original rule filed Dec. 23, 1975, effective Jan. 2, 1976. Amended: Filed July 15, 1976, effective Dec. 20, 1976. Amended: Filed Oct. 14, 1981, effective Jan. 15, 1982. Amended: Filed April 28, 1994, effective Oct. 30, 1994. Amended: Filed April 23, 1999, effective Nov. 30, 1999.

(1) Agency Defined.

(A) An agency license must be obtained for each business entity meeting the definition of an insurance agency in section 375.012(3), RSMo.

(B) The true name of an individual within the context of section 375.012(3), RSMo shall be considered his/her legal name, to include a given (first) name, middle initial and surname.

(C) Any business entity subject to section 375.012, RSMo, where more than one (1) business agent or broker is employed in the solicitation, negotiation or procurement of insurance contracts and is not otherwise excepted by section 375.012, RSMo or other law, must be licensed as an insurance agency.

(D) If a business entity is acting as an insurance agency under more than one (1) name or operates subsidiaries under differing names which also come within the definition of agency, all these subagencies must be licensed as agencies.

*Original authority: see Missouri Revised Statutes, 1994 and Cumulative Supplement to the Revised Statutes of the State of Missouri, 1998.

Op. Atty. Gen. No. 286, Dalton (6-18-68). An insurance agency originally licensed after January 1, 1968, is required to pay an annual license fee of \$25 on or before July 1, 1968, under the provisions of section 375.061, RSMo (Supp. 1967).

Op. Atty. Gen. No. 177, Dill (5-2-68). "True name" as used in section 375.012, subsection (2), RSMo (Supp. 1967), means a person's actual and not fictitious name and includes a surname, a first name and a middle name or initial.

Op. Atty. Gen. No. 145, Scharz (9-15-66). A corporation may not be a licensed insurance agent. Therefore, an insurance company cannot pay agent's commission to a corporate insurance agency.

(2) Application.

(A) The application required by section 375.061, RSMo must be completed on the form approved by the director of insurance by each applicant for licensure and accompanied by—

1. A copy of its registration of a fictitious name as filed with the Missouri Secretary of State or its Certificate of Good Standing as issued by the Missouri Secretary of State or if neither of the previous is applicable, a current certification from the state or federal agency governing the applicant's authority to do business that the applicant is then in good standing to do business; and

2. The required fee in the amount required by section 375.061, RSMo, in a form other than cash.

(3) Licensing Renewals. Agency licenses shall be renewed biennially on the anniversary date of the original license. Failure to renew an agency license shall cause the agency's authority to lapse. There shall be a required fee for renewal of the agency's license; the amount of which is specified by section 375.061, RSMo.

AUTHORITY: sections 374.045, 375.012, 375.013 and 375.022, RSMo Supp. 1998 and



**STATE OF MISSOURI
DEPARTMENT OF INSURANCE
LICENSING SECTION
AGENCY APPLICATION**

RD. BOX 690 DR
P.O. BOX 4001 FOR CORRESPONDENCE WITH FEES
JEFFERSON CITY, MO 65102
TELEPHONE: (872) 781-2515

Filing of this application does not give authority to act as an insurance agency. This authority does not exist until a license has been issued by the Department of Insurance.

This application must be accompanied by a \$100.00 licensing fee. The agency license is renewable biennially on the anniversary date of issuance. **PERSONAL CHECKS NOT ACCEPTED. FEES ARE NOT REFUNDABLE.**

PART I

AGENCY NAME

LEGAL ADDRESS (REQUIRED) STREET NUMBER AND NAME COUNTY
CITY STATE ZIP

MAILING ADDRESS STREET NUMBER AND NAME, P.O. BOX TELEPHONE NUMBER
CITY STATE ZIP

CHECK ONE
 INDIVIDUALLY OWNED PARTNERSHIP CORPORATION UNINCORPORATED ASSOCIATION OTHER

PART II

A. IF AGENCY APPLICANT IS A DOMESTIC CORPORATION (INCORPORATED IN MISSOURI):

1. Enclose a copy of the Certificate of Good Standing or Certificate of Incorporation:
 - a. dated within the past year
 - b. issued by the Missouri Secretary of State
2. List below the names, titles, social security numbers and addresses of the officers and directors. (Attach an additional sheet if needed.)
3. Enclose registration of D/B/A name from Missouri Secretary of State, if applicable.

B. IF AGENCY APPLICANT IS A FOREIGN CORPORATION (INCORPORATED IN A STATE OTHER THAN MISSOURI):

1. Enclose a copy of the Certificate of Good Standing or Certificate of Incorporation:
 - a. dated within the past year
 - b. issued by the state granting the corporation authority to conduct business as a corporation
 - c. issued by the Missouri Secretary of State if the corporation has an office in Missouri.
2. List below the names, titles, social security numbers and addresses of the officers and directors. (Attach an additional sheet if needed.)
3. Enclose registration of D/B/A name from Missouri Secretary of State, if applicable.

C. IF AGENCY IS INDIVIDUALLY OWNED, A PARTNERSHIP, AN UNINCORPORATED ASSOCIATION, OR OTHER:

1. Enclose a copy of the Registration of Fictitious Name:
 - a. issued by the Missouri Secretary of State
(The Registration of Fictitious Name is not required when the agency name is the true name (First name, middle initial and surname of an individual.)
2. List below the name, social security number, title and address of each person or corporation having an interest in or owning any part of the agency. (Attach an additional sheet if needed.)

THIS SECTION (BELOW) MUST BE COMPLETED IN RESPONSE TO PART II A.2, B.2, AND C.2

SOC. SEC. #	NAME	TITLE	ADDRESS			
			STREET	CITY	STATE	ZIP CODE

PART III

A. Was agency previously licensed in Missouri? Yes No
If yes, please give agency name and agency license number.

B. List all Missouri licensed insurance agents and/or brokers (this includes owners, officers and directors) employed by or acting in behalf of or through the agency and to whom the agency pays any salary or commission for the solicitation of or negotiation for any insurance contracts. (Attach additional sheet if needed). Please indicate if agent/broker application is pending in Missouri. Agency license will not be issued without agents/brokers listed below.

<input checked="" type="checkbox"/> ONE OR BOTH		NAME OF AGENT OR BROKER	SOCIAL SECURITY NUMBER
AGENT	BROKER		

C. LIST THE ADDRESSES OF BRANCH OFFICES OF THE AGENCY

Within twenty working days after the change of any information submitted on the application, or upon termination of an agency, the agency shall notify the Department of Insurance of the change or termination. This notification is to be filed on Change of Agency Status Form which will be enclosed with the agency license. There is no charge for this notification.

PART IV

SIGNATURE <small>NOTARY PUBLIC EMBOSSED OR BLACK INK RUBBER STAMP SEAL</small>	STATE SUBSCRIBED AND SWORN BEFORE ME THIS DAY OF	TITLE (TYPE OR PRINT) COUNTY (OR CITY OF ST. LOUIS)	DATE
	NOTARY PUBLIC SIGNATURE	MY COMMISSION EXPIRES	USE RUBBER STAMP IN CLEAR AREA BELOW.
	NOTARY PUBLIC NAME (TYPED OR PRINTED)	(Empty space for stamp)	
	(Empty space for additional information)		

MO 376-1384 (11-88)

20 CSR 700-1.120 Certain Representatives of Prepaid Dental Corporations to be Licensed

PURPOSE: This regulation requires representatives of prepaid dental corporations who solicit contracts on behalf of the corporation to be licensed as agents with the Department of Insurance pursuant to section 354.721, RSMo.

(1) Any person who solicits membership contracts on behalf of prepaid dental corporations or offers or assumes to act in negotiation of the contracts, whether a salaried representative of the corporation or one whose compensation is in part or in whole paid in the form of commissions on the business written, shall be duly licensed by this department as an accident and health agent.

(2) No person shall act in this state as an agent for a prepaid dental corporation unless s/he is licensed by the director as provided in this regulation.

(3) Persons desiring to solicit contracts on behalf of prepaid dental corporations shall comply with 20 CSR 700-1.010 and 20 CSR 700-3.100 as the regulations relate to agent's examination and licensing procedures and standards and preclicensing education for agents and brokers.

(4) Persons desiring to solicit contracts on behalf of prepaid dental corporations, in addition, shall be subject to the provisions of sections 375.016–375.022, 375.046–375.051 and 375.081, RSMo.

(5) The director may revoke or suspend, for a period as s/he may determine, any license of any agent, if it is determined as provided by sections 621.045–621.205, RSMo, that the licensee or applicant has violated, at any time, the provisions of section 375.141, RSMo.

AUTHORITY: sections 354.700–354.723 and 374.045, RSMo 1986 and Supp. 1993.* This rule was previously filed as 4 CSR 190-12.110. Original rule filed June 13, 1988, effective Oct. 27, 1988.

*Original authority: 354.700, RSMo 1987, amended 1992; 354.702, RSMo 1987; 375.703, RSMo 1989; 354.704–354.707, RSMo 1987; 354.710, RSMo 1987, amended 1990, 1992; and 354.712–354.723, RSMo 1987.

20 CSR 700-1.130 Appointment of Agents

PURPOSE: The department defines appointment of an agent, as used in section 375.022,

RSMo, so an insurance company knows what act(s) constitutes appointment of an agent to act for the insurance company.

(1) As used in section 375.022, RSMo appointment of an agent means the earliest on which an insurance company, or its authorized agent does any of the following:

(A) Distributes an application form, which on its face requires submission of premium at the time of completing the application with a consumer, to the prospective agent, unless the application form is marked in bold type as a specimen;

(B) Accepts premiums from the prospective insurance agent;

(C) Accepts for underwriting an application for insurance submitted by the prospective insurance agent;

(D) Executes a written or oral employment contract with the prospective insurance agent; or

(E) Grants binding authority given to the prospective insurance agent.

(2) An insurer may appoint agents directly, by appointing individual agents, or by designating a licensed agency, which designation shall be deemed to appoint all agents employed by such agency pursuant to section 375.061, RSMo to act for the insurance company in the lines for which the agents are licensed and for which the agency has been designated by the insurance company.

(A) Any agents listed or employed by an agency pursuant to section 375.061, RSMo after the designation of the agency by an insurer shall be deemed an appointment of such agents for all insurers with existing designations of the agency.

(B) The appointment of an agent pursuant to this subsection shall terminate upon the agent's termination or resignation from the agency with which the agent is listed or employed, upon termination of the agency by the insurer, or upon nonrenewal, suspension, revocation, or surrender of the agent's license.

(3) This rule does not apply to individuals licensed as insurance brokers in Missouri.

AUTHORITY: section 375.022, RSMo Supp. 1998.* This rule was previously filed as 4 CSR 190-12.120. Original rule filed Aug. 8, 1989, effective Feb. 1, 1990. Amended: Filed April 12, 1999, effective Nov. 30, 1999.

*Original authority: 375.022, RSMo 1967, 1981, 1991, 1998.

20 CSR 700-1.135 Forms for Filing Notice of Appointment of Agents and Notice of Termination of Appointment of Agents

PURPOSE: This rule implements section 375.022, RSMo, by prescribing the form of notice for appointments and terminations of appointment of insurance agents.

(1) Insurers shall notify the director of the Missouri Department of Insurance (MDI) of the appointment and termination of appointment of insurance agents within the time required by section 375.022.1, RSMo, through use of forms as authorized by this rule. Failure to use the forms authorized by this rule will be deemed a violation of section 375.022, RSMo.

(2) An insurer shall file notice of appointment or termination of appointment, in an electronic form, with the Department of Insurance, Licensing Section. The electronic form shall conform to one (1) of the following:

(A) An insurer may obtain proper specifications for diskettes filing from the MDI, use those specifications to format its own 3 1/2" IBM compatible diskette, and generate the filing on that diskette. The proper specifications are those attached to the MDI's most recent bulletin, re: company appointments/cancellations, sent by mail to each insurer; or

(B) An insurer may use an MDI-created data entry personal computer program to generate the filing on diskette. This computer program will generate the appointments/terminations in the proper form on the diskette. This program may be acquired from the MDI by sending a self-addressed, postage paid envelope and a 3 1/2" preformatted IBM compatible diskette to—

Missouri Department of Insurance
Licensing—Diskette Filing Program
P.O. Box 690

Jefferson City, MO 65102-0690

(C) An insurer may contract with the MDI's designated direct electronic filing provider and use such provider's services to send appointments and terminations directly to the MDI via electronic mail.

(3) Insurers filing electronically on diskette (under subsection (2)(A) or (B) of this rule) should send their appointments and terminations to the MDI with—

(A) The company appointment/cancellation diskette submission authorization form completely filled out; and

(B) A properly labeled diskette.

(4) For good cause shown, the director or the director's designee may by written order waive application of the provisions of this

rule. The extent of the waiver will be governed by the terms of the written order granting the waiver.

AUTHORITY: section 374.045.1(2) and (3), RSMo Supp. 1995. Original rule filed Sept. 13, 1996, effective March 30, 1997.

**Original authority 1967, amended 1993, 1995.*

20 CSR 700-1.140 Minimum Standards of Competency and Trustworthiness for Agents, Agencies and Brokers Concerning Personal Insurance Transactions

PURPOSE: This regulation effectuates and aids in the interpretation of the provisions of section 375.141.1(4), RSMo, which relates to the competence and trustworthiness of agents, brokers and agencies. The regulation requires insurance agents, agencies and brokers to comply with certain minimum requirements in transactions involving personal insurance policies. It is promulgated pursuant to the provisions of section 374.045, RSMo and implements the provisions of section 375.141, RSMo.

(1) Definitions.

(A) Cash premium payment means a premium payment made in the form of currency.

(B) Insurer means an insurance company, fraternal benefit society, health services corporation, health maintenance organization, prepaid health plan or any similar organization authorized to transact business in Missouri.

(C) Personal insurance policy means any liability or risk-assuming policy, contract, subscriber agreement, rider or endorsement delivered or issued for delivery in this state by an insurer, for the purpose of providing personal, noncommercial insurance coverage to an individual or family on a nongroup basis, including individual or family automobile, homeowners, life, annuity, health, property or casualty coverage.

(D) Licensee means a person licensed by Missouri to act as an insurance agent, agency or broker. The term may be used in this regulation as an alternative to the terms insurance agent, agency and broker whenever the provision in question applies to all three (3) types of license holders.

(E) Premium means any amount of money which is paid by the insured or prospective insured to a licensee for coverage under a personal insurance policy. The term shall also mean any amount which must be returned to the insured, as in the case of any unearned premium due the insured upon the termination of coverage.

(2) Document and Premium Handling Standards. When dealing with any personal insurance policy, every agent, agency and broker shall comply with the following standards of promptness regarding securing and amending coverage, providing written evidence of insurance transactions and handling premiums, except to the extent these actions are the responsibility of the insurer. Where it is the insurer's responsibility to take these actions, this responsibility shall be delineated in a written document, a copy of which shall be retained by the licensee and available for examination by the department.

(A) Every agent, agency or broker shall handle every application for new coverage under a personal insurance policy and every request for amendments to an existing policy in a manner which will secure the new or amended coverage as soon as is reasonably possible, unless a longer time is permitted under a written agreement between the licensee and the insured or prospective insured. If within thirty (30) days of the original application for insurance the licensee has not yet secured an insurer willing to provide coverage, the licensee immediately shall inform the prospective insured of this fact in writing.

(B) Whenever an insurer requires additional information prior to issuing a new personal insurance policy, or prior to renewing, continuing or amending an existing policy, the agent, agency or broker through whom the insured or prospective applied for or procured the coverage shall inform, at the earliest reasonable opportunity, the insured or prospective insured of the need for the additional information from the insured or prospective insured.

(C) Every agent, broker or agency shall provide every purchaser of a personal insurance policy with written evidence of coverage at the time coverage is bound or the policy is issued, whichever occurs earlier, or as soon after as is reasonably possible, but in no event later than thirty (30) days after the date the coverage is bound or the policy is issued. A written binder or insurance policy shall constitute written evidence of coverage for purposes of this subsection. Any application forms, riders or endorsements associated with the policy which are not provided along with written evidence of coverage shall be provided to the insured as soon as is reasonably possible. When an insurer declines to cover a prospective insured, the insurer's written denial of coverage shall be provided by the licensee to the prospective insured as soon as is reasonably possible, but in no event later than thirty (30) days after the date the coverage is denied.

(D) Agents, agencies or brokers shall remit all premium payments associated with a personal insurance policy to those persons entitled to them as soon as is reasonably possible after their receipt by the licensee, but in no event later than thirty (30) days after the date of receipt, provided, however, that premiums may be remitted at a later point in time if the licensee is so authorized under a written agreement between the licensee and the person legally entitled to the premiums. In no event, however, shall a licensee retain premium payments if to do so will result in the failure to obtain or continue coverage on behalf of an insured or prospective insured.

(E) No licensee or a member of the licensee's immediate family shall, at any time, be named as a beneficiary or contingent beneficiary or shall acquire any ownership interest in any life insurance or accidental death policy, annuity product or any other insurance product if said licensee receives or will receive any commission, fee or compensation from the sale of the product. Such a prohibition would not apply if there exists a relationship between the insured or prospective insured and the licensee which gives rise to an insurable interest in the life of the insured or prospective insured.

(F) No licensee shall obtain or solicit for a loan or any type of ownership interest in any life insurance or accidental death policy, or any annuity product, or any other type of insurance product, from any insured or prospective insured "if" the licensee has received any commission, fee or other compensation from the sale of the product. This prohibition shall not apply—

1. When it is the usual occupation or practice of the insured or prospective insured to receive and process loan applications and to provide loans to the public as an owner, officer, director or employee of an institution in the business of providing such loans; or

2. When there exists a relationship between the insured or prospective insured and the licensee which gives rise to an insurable interest in the life of the insured or prospective insured.

(3) Receipts for Cash Premiums Payments.

(A) Whenever a cash premium payment is received by an agent, agency or broker for a personal insurance policy, a written receipt shall be executed by the licensee and given to the person making the premium payment. The receipt shall bear the words Receipt or Premium Receipt and shall include the following information:

1. The name of the insured;
2. The name of the insurer, where one (1) has been selected;

3. The date of the cash payment;
4. The amount of the cash payment;
5. The policy number, if available, or other information which will describe the insurance coverage for which the cash premium was paid;
6. The signature of the licensee or an employee of the licensee duly authorized in writing to accept these payments or to execute the receipts; and
7. Any comment required under subsection (3)(D) of this rule.

(B) Use of the form, Exhibit A, shall be deemed to satisfy the requirements of this section. Other receipt forms which contain the information required by this section may also be used. Methods of documenting the payment of premiums which do not satisfy all the requirements of this section, such as the use of premium payment books for debit plans, shall be deemed to satisfy this section only if their use for this purpose has been approved in writing by the director.

(C) A copy of the cash premium receipt shall be given to the person making the cash premium payment. An additional copy shall be retained by the licensee for the licensee's records as provided in section (4) of this regulation, unless other records of the licensee and the insurer document the information required under subsections (3)(A) and (D) of this rule for purposes of inspections or examinations by the director.

(D) No agent, agency or broker shall accept a cash premium payment for new coverage under a personal insurance policy where the licensee has not selected an insurer with whom to place the coverage unless the cash premium receipt bears a comment indicating that an insurer has not yet been selected and that coverage currently does not yet exist.

(4) Minimum Recordkeeping Requirements for all Agents, Agencies and Brokers.

(A) Every agent, agency or broker shall maintain a complete set of records for each personal insurance policy applied for or procured through the licensee, except to the extent the maintenance of these records is, in whole or in part, the responsibility of the insurer. Where it is the insurer's responsibility to maintain these records, this responsibility shall be delineated in a written document(s), a copy of which shall be retained by the licensee. The records which must be maintained shall include, but not be limited to, the following:

1. Any policy applications, declaration pages, endorsements, riders or binders associated with the policy;

2. Any written correspondence or copies of records transmitted to or received by the licensee concerning the policy;

3. Any documents associated with any claims filed with the licensee under the policy; and

4. Any receipts or other documents associated with any premium payments made to the licensee under the policy, including receipts for cash premium payments required under section (3) of this regulation.

(B) The records required to be maintained under this section shall be open to the inspection or examination of the director of insurance or his/her agents, and shall be maintained in an orderly manner so that the information in the records is readily available during the inspection or examination. The requirement of this subsection shall be deemed satisfied whenever a requested record can be retrieved from its storage location within five (5) business days of a request by the director or the director's designee.

(C) An agent operating under an exclusive contract with an insurer, including one (1) insurer and its subsidiaries or affiliates, upon termination of the agency appointment, shall be required to maintain only those records as the contract authorizes him/her to retain, provided that the insurer shall bear responsibility for maintaining all other records which otherwise would have been required to be maintained by the agent.

(D) All records required to be maintained under this section shall be maintained for as long as the personal insurance policy in question is in force and for at least three (3) years thereafter.

(5) Discipline. Violation by an agent, agency or broker of the provisions of this regulation shall be deemed incompetent or untrustworthy behavior under section 375.141.1(4), RSMo and shall constitute grounds for discipline of the licensee under that section or other applicable laws.

AUTHORITY: sections 374.045 and 375.141, RSMo Supp. 1993. Original rule filed April 5, 1991, effective Oct. 31, 1991. Amended: Filed Nov. 29, 1993, effective July 30, 1994.*

**Original authority: 374.045, RSMo 1967, amended 1993 and 375.141, RSMo 1961, amended 1965, 1967, 1981, 1984, 1989, 1993.*



EXHIBIT A

PREMIUM RECEIPT

Amount of payment: \$ _____ . _____ Date of Payment: _____ / _____ / _____

Name of Insurance Company: _____

Policy Number or Description: _____

Name of Insured: _____

Comment: _____

Licensee's Signature: _____

KEEP THIS RECEIPT AS PART OF YOUR RECORDS FOR YOUR OWN PROTECTION.