

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 2168

101ST GENERAL ASSEMBLY

4926S.04C

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 288.132, 303.025, 303.041, 319.129, 375.159, 376.380, and 379.011, RSMo, and to enact in lieu thereof thirteen new sections relating to insurance, with penalty provisions and an effective date for certain sections.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 288.132, 303.025, 303.041, 319.129,
2 375.159, 376.380, and 379.011, RSMo, are repealed and thirteen
3 new sections enacted in lieu thereof, to be known as sections
4 288.132, 288.133, 303.025, 303.041, 303.420, 303.422, 303.425,
5 303.430, 303.440, 319.129, 375.159, 376.380, and 379.011, to
6 read as follows:

288.132. 1. There is hereby created in the state
2 treasury the "Unemployment Automation Fund", which shall
3 consist of money collected [under subsection 1 of section
4 288.131] **pursuant to section 288.133**, and such other state
5 funds appropriated by the general assembly. The state
6 treasurer shall be custodian of the fund and may approve
7 disbursements from the fund in accordance with sections
8 30.170 and 30.180. Upon appropriation, money in the fund
9 shall be used solely for the purpose of providing automated
10 systems, and the payment of associated costs, to improve the
11 administration of the state's unemployment insurance
12 program. Notwithstanding the provisions of section 33.080

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

13 to the contrary, all moneys remaining in the fund at the end
14 of the biennium shall not revert to the credit of the
15 general revenue fund. The state treasurer shall invest
16 moneys in the fund in the same manner as other funds are
17 invested. Any interest and money earned on such investments
18 shall be credited to the fund.

19 2. The unemployment automation fund shall not be used
20 in whole or in part for any purpose or in any manner that
21 would permit its substitution for, or a corresponding
22 reduction in, federal funds that would be available in its
23 absence to finance expenditures for the administration of
24 this chapter, or cause the appropriate agency of the United
25 States government to withhold any part of an administrative
26 grant which would otherwise be made.

**288.133. 1. Each employer liable for contributions
2 pursuant to this chapter, except employers with a
3 contribution rate equal to zero, shall pay an annual
4 unemployment automation adjustment in an amount equal to two
5 one-hundredths of one percent of such employer's total
6 taxable wages for the twelve-month period ending the
7 preceding June thirtieth.**

8 2. Notwithstanding subsection 1 of this section to the
9 contrary, the division may reduce the automation adjustment
10 percentage to ensure that the total amount of adjustment due
11 from all employers under this section shall not exceed five
12 million dollars annually.

13 3. Each employer liable to pay an automation
14 adjustment shall be notified of the amount due under this
15 section by March thirty-first of each year and such amount
16 shall be considered delinquent thirty days thereafter.
17 Delinquent unemployment automation adjustment amounts may be
18 collected in the manner provided under sections 288.160 and

19 288.170. All moneys collected under this section shall be
20 deposited in the unemployment automation fund established in
21 section 288.132.

22 4. For the first quarter of each calendar year, the
23 total amount of contribution otherwise due from each
24 employer liable to pay contributions under this chapter
25 shall be reduced by the dollar amount of unemployment
26 automation adjustment due from such employer pursuant to
27 subsection 1 of this section. However, the amount of
28 contributions due from such employer for the first quarter
29 of the calendar year in question shall not be reduced below
30 zero.

303.025. 1. No owner of a motor vehicle registered in
2 this state, or required to be registered in this state,
3 shall operate, register or maintain registration of a motor
4 vehicle, or permit another person to operate such vehicle,
5 unless the owner maintains the financial responsibility
6 which conforms to the requirements of the laws of this
7 state. No nonresident shall operate or permit another
8 person to operate in this state a motor vehicle registered
9 to such nonresident unless the nonresident maintains the
10 financial responsibility which conforms to the requirements
11 of the laws of the nonresident's state of residence.
12 Furthermore, no person shall operate a motor vehicle owned
13 by another with the knowledge that the owner has not
14 maintained financial responsibility unless such person has
15 financial responsibility which covers the person's operation
16 of the other's vehicle; however, no owner or nonresident
17 shall be in violation of this subsection if he or she fails
18 to maintain financial responsibility on a motor vehicle
19 which is inoperable or being stored and not in operation.
20 **The director of the department of revenue shall establish by**

21 rule a process for voluntary suspension of motor vehicle
22 registration for vehicles which are inoperable or being
23 stored and not in operation. The owner or nonresident shall
24 not further operate the vehicle until the owner or
25 nonresident notifies the department of revenue that the
26 vehicle will be in use, and the department shall reinstate
27 the motor vehicle registration upon receipt of proof of
28 financial responsibility. Owners or nonresidents who
29 operate a motor vehicle during a period of inoperability or
30 storage claimed under this subsection shall be guilty of a
31 class B misdemeanor and may additionally be guilty of a
32 violation of this subsection. Notwithstanding any provision
33 of law to the contrary, the department of revenue may verify
34 motor vehicle financial responsibility as provided by law,
35 but shall not otherwise take legal or administrative action
36 to enforce the requirements of this section unless, in the
37 discretion of the director, the motor vehicle is determined
38 to have been operated in violation of this section, a motor
39 vehicle registration is applied for in violation of this
40 section, or the motor vehicle on two separate occasions
41 thirty days apart is determined to have its registration
42 maintained in violation of this section. The director may
43 prescribe rules and regulations for the implementation of
44 this section.

45 2. A motor vehicle owner shall maintain the owner's
46 financial responsibility in a manner provided for in section
47 303.160, or with a motor vehicle liability policy which
48 conforms to the requirements of the laws of this state. A
49 nonresident motor vehicle owner shall maintain the owner's
50 financial responsibility which conforms to the requirements
51 of the laws of the nonresident's state of residence.

52 3. Any person who violates this section is guilty of a
53 misdemeanor. **Except as otherwise provided in this section,**
54 a first violation of this section shall be punishable as a
55 class D misdemeanor. A second or subsequent violation of
56 this section **[shall] may** be **[punishable] punished** by
57 imprisonment in the county jail for a term not to exceed
58 fifteen days **[and/or] and shall be punished by** a fine **not**
59 **less than two hundred dollars but** not to exceed five hundred
60 dollars. Prior pleas of guilty and prior findings of guilty
61 shall be pleaded and proven in the same manner as required
62 by section 558.021. However, no person shall be found
63 guilty of violating this section if the operator
64 demonstrates to the court that he or she met the financial
65 responsibility requirements of this section at the time the
66 peace officer, commercial vehicle enforcement officer or
67 commercial vehicle inspector wrote the citation. In
68 addition to any other authorized punishment, the court shall
69 notify the director of revenue of any person convicted
70 pursuant to this section and shall do one of the following:

71 (1) Enter an order suspending the driving privilege as
72 of the date of the court order. If the court orders the
73 suspension of the driving privilege, the court shall require
74 the defendant to surrender to it any driver's license then
75 held by such person. The length of the suspension shall be
76 as prescribed in subsection 2 of section 303.042. The court
77 shall forward to the director of revenue the order of
78 suspension of driving privilege and any license surrendered
79 within ten days;

80 (2) Forward the record of the conviction for an
81 assessment of four points;

82 (3) In lieu of an assessment of points, render an
83 order of supervision as provided in section 302.303. An

84 order of supervision shall not be used in lieu of points
85 more than one time in any thirty-six-month period. Every
86 court having jurisdiction pursuant to the provisions of this
87 section shall forward a record of conviction to the Missouri
88 state highway patrol, or at the written direction of the
89 Missouri state highway patrol, to the department of revenue,
90 in a manner approved by the director of the department of
91 public safety. The director shall establish procedures for
92 the record keeping and administration of this section; or

93 (4) For a nonresident, suspend the nonresident's
94 driving privileges in this state in accordance with section
95 303.030 and notify the official in charge of the issuance of
96 licenses and registration certificates in the state in which
97 such nonresident resides in accordance with section 303.080.

98 4. Nothing in sections 303.010 to 303.050, 303.060,
99 303.140, 303.220, 303.290, 303.330 and 303.370 shall be
100 construed as prohibiting the department of commerce and
101 insurance from approving or authorizing those exclusions and
102 limitations which are contained in automobile liability
103 insurance policies and the uninsured motorist provisions of
104 automobile liability insurance policies.

105 5. If a court enters an order of suspension, the
106 offender may appeal such order directly pursuant to chapter
107 512 and the provisions of section 302.311 shall not apply.

108 **6. Any fines owed to the state pursuant to this**
109 **section may be eligible for payment in installments. The**
110 **director shall promulgate rules for the application of**
111 **payment plans, which shall take into account individuals'**
112 **ability to pay.**

303.041. 1. **Except as otherwise provided in**
2 **subsection 7 of section 303.425,** if the director determines
3 [that as a result of a verification sample or accident

4 report that the owner of a motor vehicle has not maintained
5 financial responsibility, or if the director determines as a
6 result of an order of supervision] that the **owner or**
7 operator of a motor vehicle has not maintained the financial
8 responsibility as required in this chapter, the director
9 shall thirty-three days after mailing notice, suspend the
10 driving privilege of the owner or operator and/or the
11 registration of the vehicle failing to meet such
12 requirement. The notice of suspension shall be mailed to
13 the person at the last known address shown on the
14 department's records. The notice of suspension is deemed
15 received three days after mailing. The notice of suspension
16 shall clearly specify the reason and statutory grounds for
17 the suspension and the effective date of the suspension, the
18 right of the person to request a hearing, the procedure for
19 requesting a hearing, and the date by which that request for
20 a hearing must be made. If the request for a hearing is
21 received by the department prior to the effective date of
22 the suspension, the effective date of the suspension will be
23 stayed until a final order is issued following the hearing.

24 2. **Except as otherwise provided by law**, neither the
25 fact that subsequent to the date of verification or
26 conviction, the owner acquired the required liability
27 insurance policy nor the fact that the owner terminated
28 ownership of the motor vehicle, shall have any bearing upon
29 the director's decision to suspend. Until it is terminated,
30 the suspension shall remain in force after the registration
31 is renewed or a new registration is acquired for the motor
32 vehicle. The suspension also shall apply to any motor
33 vehicle to which the owner transfers the registration.
34 Effective January 1, 2000, the department shall not extend

35 any suspension for failure to pay a delinquent late
36 surrender fee pursuant to this subsection.

303.420. As used in sections 303.420 to 303.440,
2 unless the context requires otherwise, the following terms
3 shall mean:

4 (1) "Program", the motor vehicle financial
5 responsibility enforcement and compliance incentive program
6 established under section 303.425;

7 (2) "Qualified agency", the department of revenue, the
8 Missouri state highway patrol, the prosecuting attorney or
9 sheriff's office of any county or city not within a county,
10 the chiefs of police of any city or municipality, or any
11 other authorized law enforcement agency recognized by the
12 state;

13 (3) "System" or "verification system", the web-based
14 resource established under section 303.430 for online
15 verification of motor vehicle financial responsibility.

303.422. 1. There is hereby created in the state
2 treasury the "Motor Vehicle Financial Responsibility
3 Verification and Enforcement Fund", which shall consist of
4 money received by the department of revenue under sections
5 303.420 to 303.440. The state treasurer shall be custodian
6 of the fund. In accordance with sections 30.170 and 30.180,
7 the state treasurer may approve disbursements. The fund
8 shall be a dedicated fund and money in the fund shall be
9 used solely by the department of revenue for the
10 administration of sections 303.420 to 303.440.

11 2. Notwithstanding the provisions of section 33.080 to
12 the contrary, any moneys remaining in the fund at the end of
13 the biennium shall not revert to the credit of the general
14 revenue fund.

15 3. The state treasurer shall invest moneys in the fund
16 in the same manner as other funds are invested. Any
17 interest and moneys earned on such investments shall be
18 credited to the fund.

 303.425. 1. (1) There is hereby created within the
2 department of revenue the motor vehicle financial
3 responsibility enforcement and compliance incentive
4 program. The department of revenue may enter into
5 contractual agreements with third-party vendors to
6 facilitate the necessary technology and equipment,
7 maintenance thereof, and associated program management
8 services, and may enter into contractual agreements with the
9 Missouri office of prosecution services as provided in
10 sections 303.420 to 303.440. Where sections 303.420 to
11 303.440 authorize the department of revenue to enter into
12 contracts with a third-party vendor or the Missouri office
13 of prosecution services at its option, the department of
14 revenue shall contract with the Missouri office of
15 prosecution services unless the Missouri office of
16 prosecution services declines to enter into the contract.

 (2) The department of revenue or a third-party vendor
18 shall utilize technology to compare vehicle registration
19 information with the financial responsibility information
20 accessible through the system. The department of revenue
21 shall utilize this information to identify motorists who are
22 in violation of the motor vehicle financial responsibility
23 law. The department of revenue may offer offenders under
24 this program the option of pretrial diversion as an
25 alternative to statutory fines or reinstatement fees
26 prescribed under the motor vehicle financial responsibility
27 law as a method of encouraging compliance and discouraging
28 recidivism.

29 (3) All fees paid to or collected by third-party
30 vendors or the Missouri office of prosecution services under
31 sections 303.420 to 303.440 may come from violator diversion
32 fees generated by the pretrial diversion option established
33 under this section. A contractual agreement between the
34 department of revenue and the Missouri office of prosecution
35 services under sections 303.420 to 303.440 may provide for
36 retention by the Missouri office of prosecution services of
37 part or all of the violator diversion fees as consideration
38 for the contract.

39 2. The department of revenue may authorize law
40 enforcement agencies or third-party vendors to use
41 technology to collect data for the investigation, detection,
42 analysis, and enforcement of the motor vehicle financial
43 responsibility law.

44 3. The department of revenue may authorize traffic
45 enforcement officers, third-party vendors, or the Missouri
46 office of prosecution services to administer the processing
47 and issuance of notices of violation, the collection of fees
48 for a violation of the motor vehicle financial
49 responsibility law, or the referral of cases for
50 prosecution, under the program.

51 4. Access to the system shall be restricted to
52 qualified agencies and the third-party vendors with which
53 the department of revenue contracts for purposes of the
54 program, provided that any third-party vendor with which a
55 contract is executed to provide necessary technology,
56 equipment, or maintenance for the program shall be
57 authorized as necessary to collaborate for required updates
58 and maintenance of system software.

59 5. For purposes of the program, any data collected and
60 matched to a corresponding vehicle insurance record as

61 verified through the system, and any Missouri vehicle
62 registration database, may be used to identify violations of
63 the motor vehicle financial responsibility law. Such
64 corresponding data shall constitute evidence of the
65 violations.

66 6. Except as otherwise provided in this section, the
67 department of revenue shall suspend, in accordance with
68 section 303.041, the registration of any motor vehicle that
69 is determined under the program to be in violation of the
70 motor vehicle financial responsibility law.

71 7. The department of revenue shall send to an owner
72 whose vehicle is identified under the program as being in
73 violation of the motor vehicle financial responsibility law
74 a notice that the vehicle's registration may be suspended
75 unless the owner, within thirty days, provides proof of
76 financial responsibility for the vehicle or proof, in a form
77 specified by the department of revenue, that the owner has a
78 pending criminal charge for a violation of the motor vehicle
79 financial responsibility law. The notice shall include
80 information on steps an individual may take to obtain proof
81 of financial responsibility and a web address to a page on
82 the department of revenue's website where information on
83 obtaining proof of financial responsibility shall be
84 provided. If proof of financial responsibility or a pending
85 criminal charge is not provided within the time allotted,
86 the department of revenue shall provide a notice of
87 suspension and suspend the vehicle's registration in
88 accordance with section 303.041, or shall send a notice of
89 vehicle registration suspension, clearly specifying the
90 reason and statutory grounds for the suspension and the
91 effective date of the suspension, the right of the vehicle
92 owner to request a hearing, the procedure for requesting a

93 hearing, and the date by which that request for a hearing
94 must be made, as well as informing the owner that the matter
95 will be referred for prosecution if a satisfactory response
96 is not received in the time allotted, informing the owner
97 that the minimum penalty for the violation is three hundred
98 dollars and four license points, and offering the owner
99 participation in a pretrial diversion option to preclude
100 referral for prosecution and registration suspension under
101 sections 303.420 to 303.440. The notice of vehicle
102 registration suspension shall give a period of thirty-three
103 days from mailing for the vehicle owner to respond, and
104 shall be deemed received three days after mailing. If no
105 request for a hearing or agreement to participate in the
106 diversion option is received by the department of revenue
107 prior to the date provided on the notice of vehicle
108 registration suspension, the director shall suspend the
109 vehicle's registration, effective immediately, and refer the
110 case to the appropriate prosecuting attorney. If an
111 agreement by the vehicle owner to participate in the
112 diversion option is received by the department of revenue
113 prior to the effective date provided on the notice of
114 vehicle registration suspension, then upon payment of a
115 diversion participation fee not to exceed two hundred
116 dollars, agreement to secure proof of financial
117 responsibility within the time provided on the notice of
118 suspension, and agreement that such financial responsibility
119 shall be maintained for a minimum of two years, no points
120 shall be assessed to the vehicle owner's driver's license
121 under section 302.302 and the department of revenue shall
122 not take further action against the vehicle owner under
123 sections 303.420 to 303.440, subject to compliance with the
124 terms of the pretrial diversion option. The department of

125 revenue shall suspend the vehicle registration of, and shall
126 refer the case to the appropriate prosecuting attorney for
127 prosecution of, participating vehicle owners who violate the
128 terms of the pretrial diversion option. If a request for
129 hearing is received by the department of revenue prior to
130 the effective date provided on the notice of vehicle
131 registration suspension, then for all purposes other than
132 eligibility for participation in the diversion option, the
133 effective date of the suspension shall be stayed until a
134 final order is issued following the hearing. The department
135 of revenue shall suspend the registration of vehicles
136 determined under the final order to have violated the motor
137 vehicle financial responsibility law, and shall refer the
138 case to the appropriate prosecuting attorney for
139 prosecution. Notices under this subsection shall be mailed
140 to the vehicle owner at the last known address shown on the
141 department of revenue's records. The department of revenue
142 or its third-party vendor or the Missouri office of
143 prosecution services shall issue receipts for the collection
144 of diversion participation fees. Except as otherwise
145 provided in subsection 1 of this section, all such fees
146 shall be deposited into the motor vehicle financial
147 responsibility verification and enforcement fund established
148 in section 303.422. A vehicle owner whose registration has
149 been suspended under sections 303.420 to 303.440 may obtain
150 reinstatement of the registration upon providing proof of
151 financial responsibility and payment to the department of
152 revenue of a nonrefundable reinstatement fee equal to the
153 fee that would be applicable under subsection 2 of section
154 303.042 if the registration had been suspended under section
155 303.041.

156 8. Data collected or retained under the program shall
157 not be used by any entity for purposes other than
158 enforcement of the motor vehicle financial responsibility
159 law. Data collected and stored by law enforcement under the
160 program shall be considered evidence if noncompliance with
161 the motor vehicle financial responsibility law is
162 confirmed. The evidence, and an affidavit stating that the
163 evidence and system have identified a particular vehicle as
164 being in violation of the motor vehicle financial
165 responsibility law, shall constitute probable cause for
166 prosecution and shall be forwarded in accordance with
167 subsection 7 of this section to the appropriate prosecuting
168 attorney.

169 9. Owners of vehicles identified under the program as
170 being in violation of the motor vehicle financial
171 responsibility law shall be provided with options for
172 disputing such claims which do not require appearance at any
173 state or local court of law, or administrative facility.
174 Any person who presents timely proof that he or she was in
175 compliance with the motor vehicle financial responsibility
176 law at the time of the alleged violation shall be entitled
177 to dismissal of the charge with no assessment of fees or
178 fines. Proof provided by a vehicle owner to the department
179 of revenue that the vehicle was in compliance at the time of
180 the suspected violation of the motor vehicle financial
181 responsibility law shall be recorded in the system
182 established by the department of revenue under section
183 303.430.

184 10. The collection of data or use of any technology
185 pursuant to this section shall be done in a manner that
186 prohibits any bias towards a specific community, race,
187 gender, or socioeconomic status of vehicle owner.

188 11. Law enforcement agencies, third-party vendors, or
189 other entities authorized to operate under the program shall
190 not sell data collected or retained under the program for
191 any purpose or share it for any purpose not expressly
192 authorized in this section. All data shall be secured and
193 any third-party vendor or other entity authorized to operate
194 under the program may be liable for any data security breach.

195 12. The department of revenue shall not take action
196 under sections 303.420 to 303.440 against vehicles
197 registered as fleet vehicles under section 301.032, or
198 against vehicles known to the department of revenue to be
199 insured under a policy of commercial auto coverage, as such
200 term is defined in subdivision (10) of subsection 2 of
201 section 303.430.

202 13. Following one year after the implementation of the
203 program, and every year thereafter, the department of
204 revenue shall provide a report to the president pro tempore
205 of the senate, the speaker of the house of representatives,
206 the chairs of the house and senate committees with
207 jurisdictions over insurance or transportation matters, and
208 the chairs of the house budget and senate appropriations
209 committees. The report shall include an evaluation of
210 program operations, information as to the costs of the
211 program incurred by the department of revenue, insurers, and
212 the public, information as to the effectiveness of the
213 program in reducing the number of uninsured motor vehicles,
214 and anonymized demographic information including the race
215 and zip code of vehicle owners identified under the program
216 as being in violation of the motor vehicle financial
217 responsibility law, and may include any additional
218 information and recommendations for improvement of the
219 program deemed appropriate by the department of revenue.

220 The department of revenue may, by rule, require the state,
221 counties, and municipalities to provide information in order
222 to complete the report.

223 14. The Missouri office of prosecution services in
224 consultation with the department of revenue may promulgate
225 rules as necessary for the implementation of this section.
226 Any rule or portion of a rule, as that term is defined in
227 section 536.010, that is created under the authority
228 delegated in this section shall become effective only if it
229 complies with and is subject to all of the provisions of
230 chapter 536 and, if applicable, section 536.028. This
231 section and chapter 536 are nonseverable and if any of the
232 powers vested with the general assembly pursuant to chapter
233 536 to review, to delay the effective date, or to disapprove
234 and annul a rule are subsequently held unconstitutional,
235 then the grant of rulemaking authority and any rule proposed
236 or adopted after August 28, 2022, shall be invalid and void.

303.430. 1. The department of revenue shall establish
2 and maintain a web-based system for the verification of
3 motor vehicle financial responsibility, shall provide access
4 to insurance reporting data and vehicle registration and
5 financial responsibility data, and shall require motor
6 vehicle insurers to establish functionality for the
7 verification system, as provided in sections 303.420 to
8 303.440. The verification system, including any exceptions
9 as provided for in sections 303.420 to 303.440 or in the
10 implementation guide developed to support the program, shall
11 supersede any existing verification system, and shall be the
12 sole system used for the purpose of verifying financial
13 responsibility required under this chapter.

14 2. The system established pursuant to subsection 1 of
15 this section shall be subject to the following:

16 (1) The verification system shall transmit requests to
17 insurers for verification of motor vehicle insurance
18 coverage via web services established by the insurers
19 through the internet in compliance with the specifications
20 and standards of the Insurance Industry Committee on Motor
21 Vehicle Administration, or "IICMVA". Insurance company
22 systems shall respond to each request with a prescribed
23 response upon evaluation of the data provided in the
24 request. The system shall include appropriate protections
25 to secure its data against unauthorized access, and the
26 department of revenue shall maintain a historical record of
27 the system data for a period of no more than twelve months
28 from the date of all requests and responses. The system
29 shall be used for verification of the financial
30 responsibility required under this chapter. The system
31 shall be accessible to authorized personnel of the
32 department of revenue, the courts, law enforcement
33 personnel, and other entities authorized by the state as
34 permitted by state or federal privacy laws, and it shall be
35 interfaced, wherever appropriate, with existing state
36 systems. The system shall include information enabling the
37 department of revenue to submit inquiries to insurers
38 regarding motor vehicle insurance which are consistent with
39 insurance industry and IICMVA recommendations,
40 specifications, and standards by using the following data
41 elements for greater matching accuracy: insurer National
42 Association of Insurance Commissioners, or "NAIC", company
43 code; vehicle identification number; policy number;
44 verification date; or as otherwise described in the
45 specifications and standards of the IICMVA. The department
46 of revenue shall promulgate rules to offer insurers who
47 insure one thousand or fewer vehicles within this state an

48 alternative method for verifying motor vehicle insurance
49 coverage in lieu of web services, and to provide for the
50 verification of financial responsibility when financial
51 responsibility is proven to the department to be maintained
52 by means other than a policy of motor vehicle insurance.
53 Insurers shall not be required to verify insurance coverage
54 for vehicles registered in other jurisdictions;

55 (2) The verification system shall respond to each
56 request within a time period established by the department
57 of revenue. An insurer's system shall respond within the
58 time period prescribed by the IICMVA's specifications and
59 standards. Insurer systems shall be permitted reasonable
60 system downtime for maintenance and other work with advance
61 notice to the department of revenue. Insurers shall not be
62 subject to enforcement fees or other sanctions under such
63 circumstances, or when systems are not available because of
64 emergency, outside attack, or other unexpected outages not
65 planned by the insurer and reasonably outside its control;

66 (3) The system shall assist in identifying violations
67 of the motor vehicle financial responsibility law in the
68 most effective way possible. Responses to individual
69 insurance verification requests shall have no bearing on
70 whether insurance coverage is determined to be in force at
71 the time of a claim. Claims shall be individually
72 investigated to determine the existence of coverage.
73 Nothing in sections 303.420 to 303.440 shall prohibit the
74 department of revenue from contracting with a third-party
75 vendor or vendors who have successfully implemented similar
76 systems in other states to assist in establishing and
77 maintaining this verification system;

78 (4) The department of revenue shall consult with
79 representatives of the insurance industry and may consult

80 with third-party vendors to determine the objectives,
81 details, and deadlines related to the system by
82 establishment of an advisory council. The advisory council
83 shall consist of voting members comprised of:

84 (a) The director of the department of commerce and
85 insurance, or his or her designee, who shall serve as chair;

86 (b) Two representatives of the department of revenue,
87 to be appointed by the director of the department of revenue;

88 (c) One representative of the department of commerce
89 and insurance, to be appointed by the director of the
90 department of commerce and insurance;

91 (d) Three representatives of insurance companies, to
92 be appointed by the director of the department of commerce
93 and insurance;

94 (e) One representative from the Missouri Insurance
95 Coalition;

96 (f) One representative chosen by the National
97 Association of Mutual Insurance Companies;

98 (g) One representative chosen by the American Property
99 and Casualty Insurance Association;

100 (h) One representative chosen by the Missouri
101 Independent Agents Association; and

102 (i) Such other representatives as may be appointed by
103 the director of the department of commerce and insurance;

104 (5) The department of revenue shall publish for
105 comment, and then issue, a detailed implementation guide for
106 its online verification system;

107 (6) The department of revenue and its third-party
108 vendors, if any, shall each maintain a contact person for
109 insurers during the establishment, implementation, and
110 operation of the system;

111 (7) If the department of revenue has reason to believe
112 a vehicle owner does not maintain financial responsibility
113 as required under this chapter, it may also request an
114 insurer to verify the existence of such financial
115 responsibility in a form approved by the department of
116 revenue. In addition, insurers shall cooperate with the
117 department of revenue in establishing and maintaining the
118 verification system established under this section, and
119 shall provide motor vehicle insurance policy status
120 information as provided in the rules promulgated by the
121 department of revenue;

122 (8) Every property and casualty insurance company
123 licensed to issue motor vehicle insurance or authorized to
124 do business in this state shall comply with sections 303.420
125 to 303.440, and corresponding rules promulgated by the
126 department of revenue, for the verification of such
127 insurance for every vehicle insured by that company in this
128 state;

129 (9) Insurers shall maintain a historical record of
130 insurance data for a minimum period of six months from the
131 date of policy inception or policy change for the purpose of
132 historical verification inquiries;

133 (10) For the purposes of this section, "commercial
134 auto coverage" shall mean any coverage provided to an
135 insured, regardless of number of vehicles or entities
136 covered, under a commercial coverage form and rated from a
137 commercial manual approved by the department of commerce and
138 insurance. Sections 303.420 to 303.440 shall not apply to
139 vehicles insured under commercial auto coverage; however,
140 insurers of such vehicles may participate on a voluntary
141 basis, and vehicle owners may provide proof at or subsequent
142 to the time of vehicle registration that a vehicle is

143 insured under commercial auto coverage, which the department
144 of revenue shall record in the system;

145 (11) Insurers shall provide commercial or fleet
146 automobile customers with evidence reflecting that the
147 vehicle is insured under a commercial or fleet automobile
148 liability policy. Sufficient evidence shall include an
149 insurance identification card clearly marked with a suitable
150 identifier such as "commercial auto insurance identification
151 card", "fleet auto insurance identification card", or other
152 clear identification that the vehicle is insured under a
153 fleet or commercial policy;

154 (12) Notwithstanding any provision of sections 303.420
155 to 303.440, insurers shall be immune from civil and
156 administrative liability for good faith efforts to comply
157 with the terms of sections 303.420 to 303.440;

158 (13) Nothing in this section shall prohibit an insurer
159 from using the services of a third-party vendor for
160 facilitating the verification system required under sections
161 303.420 to 303.440.

162 3. The department of revenue shall promulgate rules as
163 necessary for the implementation of sections 303.420 to
164 303.440. Any rule or portion of a rule, as that term is
165 defined in section 536.010, that is created under the
166 authority delegated in this section shall become effective
167 only if it complies with and is subject to all of the
168 provisions of chapter 536 and, if applicable, section
169 536.028. This section and chapter 536 are nonseverable and
170 if any of the powers vested with the general assembly
171 pursuant to chapter 536 to review, to delay the effective
172 date, or to disapprove and annul a rule are subsequently
173 held unconstitutional, then the grant of rulemaking

174 authority and any rule proposed or adopted after August 28,
175 2022, shall be invalid and void.

303.440. The verification system established under
2 section 303.430 shall be installed and fully operational on
3 January 1, 2024, following an appropriate testing or pilot
4 period of not less than nine months. Until the successful
5 completion of the testing or pilot period in the judgment of
6 the director of the department of revenue, no enforcement
7 action shall be taken based on the system, including but not
8 limited to action taken under the program established under
9 section 303.425.

319.129. 1. There is hereby created a special trust
2 fund to be known as the "Petroleum Storage Tank Insurance
3 Fund" within the state treasury which shall be the successor
4 to the underground storage tank insurance fund. Moneys in
5 such special trust fund shall not be deemed to be state
6 funds. Notwithstanding the provisions of section 33.080 to
7 the contrary, moneys in the fund shall not be transferred to
8 general revenue at the end of each biennium.

9 2. The owner or operator of any underground storage
10 tank, including the state of Missouri and its political
11 subdivisions and public transportation systems, in service
12 on August 28, 1989, shall submit to the department a fee of
13 one hundred dollars per tank on or before December 31,
14 1989. The owner or operator of any underground storage tank
15 who seeks to participate in the petroleum storage tank
16 insurance fund, including the state of Missouri and its
17 political subdivisions and public transportation systems,
18 and whose underground storage tank is brought into service
19 after August 28, 1998, shall transmit one hundred dollars
20 per tank to the board with his or her initial application.
21 Such amount shall be a one-time payment, and shall be in

22 addition to the payment required by section 319.133. The
23 owner or operator of any aboveground storage tank regulated
24 by this chapter, including the state of Missouri and its
25 political subdivisions and public transportation systems,
26 who seeks to participate in the petroleum storage tank
27 insurance fund, shall transmit one hundred dollars per tank
28 to the board with his or her initial application. Such
29 amount shall be a one-time payment and shall be in addition
30 to the payment required by section 319.133. Moneys received
31 pursuant to this section shall be transmitted to the
32 director of revenue for deposit in the petroleum storage
33 tank insurance fund.

34 3. The state treasurer may deposit moneys in the fund
35 in any of the qualified depositories of the state. All such
36 deposits shall be secured in a manner and upon the terms as
37 are provided by law relative to state deposits. Interest
38 earned shall be credited to the petroleum storage tank
39 insurance fund.

40 4. The general administration of the fund and the
41 responsibility for the proper operation of the fund,
42 including all decisions relating to payments from the fund,
43 are hereby vested in a board of trustees. The board of
44 trustees shall consist of the commissioner of administration
45 or the commissioner's designee, the director of the
46 department of natural resources or the director's designee,
47 the director of the department of agriculture or the
48 director's designee, and eight citizens appointed by the
49 governor with the advice and consent of the senate. Three
50 of the appointed members shall be owners or operators of
51 retail petroleum storage tanks, including one tank owner or
52 operator of greater than one hundred tanks; one tank owner
53 or operator of less than one hundred tanks; and one

54 aboveground storage tank owner or operator. One appointed
55 trustee shall represent a financial lending institution, and
56 one appointed trustee shall represent the insurance
57 underwriting industry. One appointed trustee shall
58 represent industrial or commercial users of petroleum. The
59 two remaining appointed citizens shall have no petroleum-
60 related business interest, and shall represent the
61 nonregulated public at large. The members appointed by the
62 governor shall serve four-year terms except that the
63 governor shall designate two of the original appointees to
64 be appointed for one year, two to be appointed for two
65 years, two to be appointed for three years and two to be
66 appointed for four years. Any vacancies occurring on the
67 board shall be filled in the same manner as provided in this
68 section.

69 5. [The board shall meet in Jefferson City, Missouri,
70 within thirty days following August 28, 1996. Thereafter,]
71 The board shall meet upon the written call of the chairman
72 of the board or by the agreement of any six members of the
73 board. Notice of each meeting shall be delivered to all
74 other trustees in person or by registered mail not less than
75 six days prior to the date fixed for the meeting. The board
76 may meet at any time by unanimous mutual consent. There
77 shall be at least one meeting in each quarter.

78 6. Six trustees shall constitute a quorum for the
79 transaction of business, and any official action of the
80 board shall be based on a majority vote of the trustees
81 present.

82 7. The trustees shall serve without compensation but
83 shall receive from the fund their actual and necessary
84 expenses incurred in the performance of their duties for the
85 board.

86 8. The board of trustees shall be a type III agency
87 and shall appoint an executive director and other employees
88 as needed, who shall be state employees and be eligible for
89 all corresponding benefits. The executive director shall
90 have charge of the offices, operations, records, and other
91 employees of the board, subject to the direction of the
92 board. Employees of the board shall receive such salaries
93 and necessary expenses as shall be fixed by the board.

94 9. Staff resources for the Missouri petroleum storage
95 tank insurance fund may be provided by the department of
96 natural resources or another state agency as otherwise
97 specifically determined by the board. The fund shall
98 compensate the department of natural resources or other
99 state agency for all costs of providing staff required by
100 this subsection. Such compensation shall be made pursuant
101 to contracts negotiated between the board and the department
102 of natural resources or other state agency.

103 10. In order to carry out the fiduciary management of
104 the fund, the board may select and employ, or may contract
105 with, persons experienced in insurance underwriting,
106 accounting, the servicing of claims and rate making, and
107 legal counsel to defend third-party claims, who shall serve
108 at the board's pleasure. Invoices for such services shall
109 be presented to the board in sufficient detail to allow a
110 thorough review of the costs of such services.

111 11. [At the first meeting of the board,] The board
112 shall elect one of its members as chairman. The chairman
113 shall preside over meetings of the board and perform such
114 other duties as shall be required by action of the board.

115 12. The board shall elect one of its members as vice
116 chairman, and the vice chairman shall perform the duties of

117 the chairman in the absence of the latter or upon the
118 chairman's inability or refusal to act.

119 13. The board shall determine and prescribe all rules
120 and regulations as they relate to fiduciary management of
121 the fund, pursuant to the purposes of sections 319.100 to
122 319.137. In no case shall the board have oversight
123 regarding environmental cleanup standards for petroleum
124 storage tanks.

125 14. No trustee or staff member of the fund shall
126 receive any gain or profit from any moneys or transactions
127 of the fund. This shall not preclude any eligible trustee
128 from making a claim or receiving benefits from the petroleum
129 storage tank insurance fund as provided by sections 319.100
130 to 319.137.

131 15. The board may reinsure all or a portion of the
132 fund's liability. Any insurer who sells environmental
133 liability insurance in this state may, at the option of the
134 board, reinsure some portion of the fund's liability.

135 16. The petroleum storage tank insurance fund shall
136 expire on December 31, **[2025] 2030**, unless extended by
137 action of the general assembly. After December 31, **[2025]**
138 **2030**, the board of trustees may continue to function for the
139 sole purpose of completing payment of claims made prior to
140 December 31, **[2025] 2030**.

141 17. The board shall annually commission an independent
142 financial audit of the petroleum storage tank insurance
143 fund. The board shall biennially commission an actuarial
144 analysis of the petroleum storage tank insurance fund. The
145 results of the financial audit and the actuarial analysis
146 shall be made available to the public. The board may
147 contract with third parties to carry out the requirements of
148 this subsection.

375.159. 1. As used in this section, the following
2 terms shall mean:

3 (1) "Aggregator site", a website that provides
4 information regarding insurance products from more than one
5 insurer, including product and insurer information, for use
6 in comparison shopping;

7 (2) "Blanket travel insurance", a policy of travel
8 insurance issued to any eligible group providing coverage
9 for specific classes of persons defined in the policy, with
10 coverage provided to all members of the eligible group
11 without a separate charge to individual members of the
12 eligible group;

13 (3) "Cancellation fee waiver", a contractual agreement
14 between a supplier of travel services and its customer to
15 waive some or all of the nonrefundable cancellation fee
16 provisions of the supplier's underlying travel contract with
17 or without regard to the reason for the cancellation or form
18 of reimbursement. A cancellation fee waiver is not
19 insurance;

20 (4) "Director", the director of the department of
21 commerce and insurance;

22 (5) "Eligible group", solely for the purpose of travel
23 insurance, two or more persons who are engaged in a common
24 enterprise or have an economic, educational, or social
25 affinity or relationship, including but not limited to any
26 of the following:

27 (a) Any entity engaged in the business of providing
28 travel or travel services, including but not limited to:
29 tour operators, lodging providers, vacation property owners,
30 hotels and resorts, travel clubs, travel agencies, property
31 managers, cultural exchange programs, and common carriers or
32 the operator, owner, or lessor of a means of transportation

33 of passengers including, but not limited to, airlines,
34 cruise lines, railroads, steamship companies, and public bus
35 carriers, in which there is a common exposure to risk
36 attendant to the particular type of travel or traveler for
37 all members or customers of the group;

38 (b) Any college, school, or other institution of
39 learning, covering students, teachers, employees, or
40 volunteers;

41 (c) Any employer covering any group of employees,
42 volunteers, contractors, members of boards of directors,
43 dependents, or guests;

44 (d) Any sports team, camp, or sponsor thereof,
45 covering participants, members, campers, employees,
46 officials, supervisors, or volunteers;

47 (e) Any religious, charitable, recreational,
48 educational, or civic organization, or branch thereof,
49 covering any group of members, participants, or volunteers;

50 (f) Any financial institution, financial institution
51 vendor, or parent holding company, trustee, or agent of or
52 designated by one or more financial institutions or
53 financial institution vendors, including accountholders,
54 credit card holders, debtors, guarantors, or purchasers;

55 (g) Any incorporated or unincorporated association,
56 including any labor union, having a common interest,
57 constitution, and bylaws, and organized and maintained in
58 good faith for purposes other than obtaining insurance for
59 members or participants of such association covering its
60 members;

61 (h) Any trust or the trustees of a fund established,
62 created, or maintained for the benefit of and covering
63 members, employees, or customers of one or more associations
64 meeting the requirements of paragraph (g) of this

65 subdivision, subject to the director's permission of the use
66 of a trust and the state's premium tax provisions described
67 in subsection 4 of this section;

68 (i) Any entertainment production company covering any
69 group of participants, volunteers, audience members,
70 contestants, or workers;

71 (j) Any volunteer fire department, ambulance, rescue,
72 police, court, first aid, civil defense, or other such
73 volunteer group;

74 (k) Preschools, day care institutions for children or
75 adults, and senior citizen clubs;

76 (l) Any automobile or truck rental or leasing company
77 covering a group of persons who may become renters, lessees,
78 or passengers defined by their travel status on the rented
79 or leased vehicles. The common carrier; the operator,
80 owner, or lessor of a means of transportation; or the
81 automobile or truck rental or leasing company is the
82 policyholder under a policy to which this section applies; or

83 (m) Any other group for which the director has
84 determined that the members are engaged in a common
85 enterprise or have an economic, educational, or social
86 affinity or relationship and that issuance of the policy
87 would not be contrary to the public interest;

88 (6) "Fulfillment materials", documentation sent to the
89 purchaser of a travel protection plan confirming the
90 purchase and providing the travel protection plan's coverage
91 and assistance details;

92 (7) "Group travel insurance", travel insurance issued
93 to any eligible group;

94 (8) "Limited lines travel insurance producer", a:

95 (a) Licensed managing general agent as provided by
96 sections 375.147 to 375.153 **or third-party administrator;**
97 **[or]**

98 (b) Licensed insurance producer as provided by chapter
99 375[;], **including a limited lines producer**, designated by
100 the insurer as the travel insurance supervising entity as
101 set forth in **subdivision (7) of subsection [5] 3** of this
102 section below; **or**

103 **(c) Travel administrator;**

104 **[(2)] (9)** "Offer and disseminate", provide general
105 information, including a description of the coverage and
106 price, as well as process the application, collect premiums,
107 and perform other nonlicensable activities permitted by the
108 state;

109 **[(3)] (10)** "Primary certificate holder", a person who
110 **elects and purchases travel insurance under a group policy;**

111 **(11)** "Primary policyholder", a person who elects and
112 **purchases individual travel insurance;**

113 **(12)** "Travel administrator", a person who directly or
114 **indirectly underwrites; collects charges, collateral, or**
115 **premiums from; or adjusts and settles claims on residents of**
116 **this state in connection with travel insurance; except that**
117 **a person shall not be considered a travel administrator if**
118 **that person's only actions that would otherwise cause the**
119 **person to be considered a travel administrator are among the**
120 **following:**

121 **(a) A person working for a travel administrator to the**
122 **extent that the person's activities are subject to the**
123 **supervision and control of the travel administrator;**

124 **(b) An insurance producer selling insurance or engaged**
125 **in administrative and claims-related activities within the**
126 **scope of the producer's license;**

127 (c) A travel retailer offering and disseminating
128 travel insurance and registered under the license of a
129 limited lines travel insurance producer in accordance with
130 this section;

131 (d) A person adjusting or settling claims in the
132 normal course of that person's practice or employment as an
133 attorney-at-law and who does not collect charges or premiums
134 in connection with insurance coverage; or

135 (e) A business entity that is affiliated with a
136 licensed insurer while acting as a travel administrator for
137 the direct and assumed insurance business of an affiliated
138 insurer;

139 (13) "Travel assistance services", noninsurance
140 services for which the consumer is not indemnified based on
141 a fortuitous event and in which providing the service does
142 not result in transfer or shifting of risk that would
143 constitute the business of insurance. The term "travel
144 assistance services" includes, but is not limited to:
145 security advisories, destination information, vaccination
146 and immunization information services, travel reservation
147 services, entertainment, activity and event planning,
148 translation assistance, emergency messaging, international
149 legal and medical referrals, medical case monitoring,
150 coordination of transportation arrangements, emergency cash
151 transfer assistance, medical prescription replacement
152 assistance, passport and travel document replacement
153 assistance, lost luggage assistance, concierge services, and
154 any other service that is furnished in connection with
155 planned travel. Travel assistance services are not
156 insurance and not related to insurance;

157 **(14)** "Travel insurance", insurance coverage for
158 personal risks incident to planned travel, including, but
159 not limited to:

- 160 (a) Interruption or cancellation of trip or event;
161 (b) Loss of baggage or personal effects;
162 (c) Damages to accommodations or rental vehicles; [or]
163 (d) Sickness, accident, disability, or death occurring
164 during travel;
165 **(e) Emergency evacuation;**
166 **(f) Repatriation of remains; or**
167 **(g) Any other contractual obligations to indemnify or**
168 **pay a specified amount to the traveler upon determinable**
169 **contingencies related to travel as approved by the director.**

170 Travel insurance does not include major medical plans, which
171 provide comprehensive medical protection for travelers with
172 trips lasting six months or longer, including, for example,
173 those persons working overseas as expatriates or military
174 personnel being deployed, **or any other product that requires**
175 **a specific insurance producer license;**

176 [(4)] **(15)** "Travel protection plans", plans that
177 **provide one or more of the following:**

- 178 **(a) Travel insurance;**
179 **(b) Travel assistance services; or**
180 **(c) Cancellation fee waivers;**

181 **(16)** "Travel retailer", a business entity that makes,
182 arranges, or offers travel services and may offer and
183 disseminate travel insurance as a service to its customers
184 on behalf of and under the direction of a limited lines
185 travel insurance producer.

186 **2. (1) The requirements of this section shall apply**
187 **to travel insurance that covers any resident of this state**

188 and is sold, solicited, negotiated, or offered in this state
189 and policies and certificates that are delivered or issued
190 for delivery in this state. Except as expressly provided in
191 this section, the requirements of this section shall not
192 apply to cancellation fee waivers or travel assistance
193 services.

194 (2) All other applicable provisions of this state's
195 insurance laws shall continue to apply to travel insurance,
196 except that the specific provisions of this section shall
197 supersede any general provisions of law that would otherwise
198 be applicable to travel insurance.

199 3. Notwithstanding any other provision of law:

200 (1) The director may issue a limited lines travel
201 insurance producer license to a person or business entity
202 that has filed with the director an application for a
203 limited lines travel insurance producer license in a form
204 and manner prescribed by the director. A limited lines
205 travel insurance producer shall be licensed to sell,
206 solicit, or negotiate travel insurance through a licensed
207 insurer. No person shall act as a limited lines travel
208 insurance producer or travel retailer unless properly
209 licensed or registered, respectively;

210 (2) A travel retailer may offer and disseminate travel
211 insurance on behalf of and under the control of a limited
212 lines travel insurance producer only if the following
213 conditions are met:

214 (a) The limited lines travel insurance producer or
215 travel retailer provides to purchasers of travel insurance:

216 a. A description of the material terms or the actual
217 material terms of the insurance coverage;

218 b. A description of the process for filing a claim;

219 c. A description of the review or cancellation process
220 for the travel insurance policy; and

221 d. The identity and contact information of the insurer
222 and limited lines travel insurance producer;

223 (b) At the time of licensure, the limited lines travel
224 insurance producer shall establish and maintain a register
225 on a form prescribed by the director of each travel retailer
226 that offers travel insurance on the limited lines travel
227 insurance producer's behalf. The register shall be
228 maintained and updated annually by the limited lines travel
229 insurance producer and shall include the name, address, and
230 contact information of the travel retailer and an officer or
231 person who directs or controls the travel retailer's
232 operations, and the travel retailer's federal tax
233 identification number. The limited lines travel insurance
234 producer shall submit such register within thirty days upon
235 request by the department. The limited lines travel
236 insurance producer shall also certify that the travel
237 retailer [register] **registered** complies with 18 U.S.C.
238 1033. **The grounds for suspension and revocation and the**
239 **penalties applicable to resident insurance producers under**
240 **sections 375.141 to 375.153 shall be applicable to the**
241 **limited lines travel insurance producers and travel**
242 **retailers;**

243 (c) The limited lines travel insurance producer has
244 designated one of its employees who is a licensed individual
245 producer as a person responsible for the business entity's
246 compliance with the travel insurance laws, rules, and
247 regulations of this state;

248 (d) The designated person under paragraph (c) of this
249 subdivision, president, secretary, treasurer, and any other
250 officer or person who directs or controls the limited lines

251 travel insurance producer's insurance operations complies
252 with the fingerprinting requirements applicable to insurance
253 producers in the resident state of the [business entity]
254 **limited lines travel insurance producer;**

255 (e) The limited lines travel insurance producer has
256 paid all applicable insurance producer licensing fees as set
257 forth in applicable state law;

258 (f) The limited lines travel insurance producer
259 requires each employee and authorized representative of the
260 travel retailer whose duties include offering and
261 disseminating travel insurance to receive a program of
262 instruction or training, which may be subject to review by
263 the director. The training material shall, at a minimum,
264 contain instructions on the types of insurance offered,
265 ethical sales practices, and required disclosures to
266 prospective customers;

267 [(2)] (3) Any travel retailer offering or
268 disseminating travel insurance shall make available to
269 prospective purchasers brochures or other written materials
270 that **have been approved by the travel insurer. Such**
271 **materials shall include information that, at a minimum,**
272 **shall:**

273 (a) Provide the identity and contact information of
274 the insurer and the limited lines travel insurance producer;

275 (b) Explain that the purchase of travel insurance is
276 not required to purchase any other product or service from
277 the travel retailer; and

278 (c) Explain that an unlicensed travel retailer is
279 permitted to provide general information about the insurance
280 offered by the travel retailer, including a description of
281 the coverage and price, but is not qualified or authorized
282 to answer technical questions about the terms and conditions

283 of the insurance offered by the travel retailer or to
284 evaluate the adequacy of the customer's existing insurance
285 coverage;

286 [(3)] (4) A travel retailer's employee or authorized
287 representative, who is not licensed as an insurance
288 producer, may not:

289 (a) Evaluate or interpret the technical terms,
290 benefits, and conditions of the offered travel insurance
291 coverage;

292 (b) Evaluate or provide advice concerning a
293 prospective purchaser's existing insurance coverage; or

294 (c) Hold themselves or itself out as a licensed
295 insurer, licensed producer, or insurance expert[.];

296 [3. Notwithstanding any other provision of law,] (5)
297 A travel retailer whose insurance-related activities, and
298 those of its employees and authorized representatives, are
299 limited to offering and disseminating travel insurance on
300 behalf of and under the direction of a limited lines travel
301 insurance producer meeting the conditions stated in this
302 section is authorized to do so and receive related
303 compensation, upon registration by the limited lines travel
304 insurance producer as described in paragraph (b) of
305 subdivision [(1)] (2) of **this** subsection [2 of this
306 section.];

307 [4.] (6) Travel insurance may be provided under an
308 individual policy or under a group or [master] **blanket**
309 policy[.];

310 [5.] (7) As the insurer designee, the limited lines
311 travel insurance producer is responsible for the acts of the
312 travel retailer and shall use reasonable means to ensure
313 compliance by the travel retailer with this section; **and**

314 (8) Any person licensed in a major line of authority
315 as an insurance producer is authorized to sell, solicit, and
316 negotiate travel insurance. A property and casualty
317 insurance producer is not required to become appointed by an
318 insurer in order to sell, solicit, or negotiate travel
319 insurance.

320 4. (1) A travel insurer shall pay premium tax, as
321 provided in section 148.370, on travel insurance premiums
322 paid by any of the following:

323 (a) An individual primary policyholder who is a
324 resident of this state;

325 (b) A primary certificate holder who is a resident of
326 this state who elects coverage under a group travel
327 insurance policy; or

328 (c) A blanket travel insurance policyholder that is a
329 resident in this state or has its principal place of
330 business or the principal place of business of an affiliate
331 or subsidiary that has purchased blanket travel insurance in
332 this state for eligible blanket group members, subject to
333 any apportionment rules that apply to the insurer across
334 multiple taxing jurisdictions or that permit the insurer to
335 allocate premium on an apportioned basis in a reasonable and
336 equitable manner in those jurisdictions.

337 (2) A travel insurer shall:

338 (a) Document the state of residence or principal place
339 of business of the policyholder or certificate holder, as
340 required in subdivision (1) of this subsection; and

341 (b) Report as premium only the amount allocable to
342 travel insurance and not any amounts received for travel
343 assistance services or cancellation fee waivers.

344 5. Travel protection plans may be offered for one
345 price for the combined features that the travel protection
346 plan offers in this state if:

347 (1) The travel protection plan clearly discloses to
348 the consumer, at or prior to the time of purchase, that it
349 includes travel insurance, travel assistance services, and
350 cancellation fee waivers as applicable, and provides
351 information and an opportunity, at or prior to the time of
352 purchase, for the consumer to obtain additional information
353 regarding the features and pricing of each;

354 (2) The fulfillment materials describe and delineate
355 the travel insurance, travel assistance services, and
356 cancellation fee waivers in the travel protection plan; and

357 (3) The fulfillment materials include the travel
358 insurance disclosures and the contact information for
359 persons providing travel assistance services and
360 cancellation fee waivers, as applicable.

361 6. (1) Except as otherwise provided in this section,
362 all persons offering travel insurance to residents of this
363 state are subject to sections 375.930 to 375.948. If there
364 is a conflict between this section and other provisions of
365 chapters 361 to 385 regarding the sale and marketing of
366 travel insurance and travel protection plans, the provisions
367 of this section shall control.

368 (2) Offering or selling a travel insurance policy that
369 could never result in payment of any claims for any insured
370 under the policy is an unfair trade practice under sections
371 375.930 to 375.948.

372 (3) (a) All documents provided to consumers prior to
373 the purchase of travel insurance, including but not limited
374 to sales materials, advertising materials, and marketing
375 materials, shall be consistent with the travel insurance

376 policy itself, including but not limited to forms,
377 endorsements, policies, rate filings, and certificates of
378 insurance.

379 (b) For travel insurance policies or certificates that
380 contain preexisting condition exclusions, information and an
381 opportunity to learn more about the preexisting condition
382 exclusions shall be provided any time prior to the time of
383 purchase, and in the coverage's fulfillment materials.

384 (c) The fulfillment materials and the information
385 described in paragraph (a) of subdivision (2) of subsection
386 3 of this section shall be provided to a policyholder or
387 certificate holder as soon as practicable following the
388 purchase of a travel protection plan. Unless the insured
389 has either started a covered trip or filed a claim under the
390 travel insurance coverage, a policyholder or certificate
391 holder may cancel a policy or certificate for a full refund
392 of the travel protection plan price from the date of
393 purchase of a travel protection plan until at least:

394 a. Fifteen days following the date of delivery of the
395 travel protection plan's fulfillment materials by postal
396 mail; or

397 b. Ten days following the date of delivery of the
398 travel protection plan's fulfillment materials by means
399 other than postal mail.

400 For purposes of this paragraph, delivery means handing
401 fulfillment materials to the policyholder or certificate
402 holder or sending fulfillment materials by postal mail or
403 electronic means to the policyholder or certificate holder.

404 (d) The company shall disclose in the policy
405 documentation and fulfillment materials whether the travel

406 insurance is primary or secondary to other applicable
407 coverage.

408 (e) Marketing travel insurance directly to a consumer
409 through an insurer's website or by others through an
410 aggregator site shall not be an unfair trade practice or
411 other violation of law if an accurate summary or short
412 description of coverage is provided on the web page and the
413 consumer has access to the full provisions of the policy
414 through electronic means.

415 (4) No person offering, soliciting, or negotiating
416 travel insurance or travel protection plans on an individual
417 or group basis shall do so by using negative option or opt-
418 out that would require a consumer to take an affirmative
419 action to deselect coverage, such as unchecking a box on an
420 electronic form, when the consumer purchases a trip.

421 (5) It shall be an unfair trade practice to market
422 blanket travel insurance coverage as free.

423 (6) Where a consumer's destination jurisdiction
424 requires insurance coverage, it shall not be an unfair trade
425 practice to require that a consumer choose between the
426 following options as a condition of purchasing a trip or
427 travel package:

428 (a) Purchasing the coverage required by the
429 destination jurisdiction through the travel retailer or
430 limited lines travel insurance producer supplying the trip
431 or travel package; or

432 (b) Agreeing to obtain and provide proof of coverage
433 that meets the destination jurisdiction's requirements prior
434 to departure.

435 7. (1) Notwithstanding any other provisions of
436 chapters 361 to 385, no person shall act or represent

437 himself or herself as a travel administrator for travel
438 insurance in this state unless the person:

439 (a) Is a licensed property and casualty insurance
440 producer in this state for activities permitted under that
441 producer license;

442 (b) Holds a valid managing general agent license in
443 this state; or

444 (c) Holds a valid third-party administrator license in
445 this state.

446 (2) An insurer is responsible for the acts of a travel
447 administrator administering travel insurance underwritten by
448 the insurer, and is responsible for ensuring that the travel
449 administrator maintains all books and records relevant to
450 the insurer to be made available by the travel administrator
451 to the director upon request.

452 8. (1) Notwithstanding any other provision of
453 chapters 361 to 385, travel insurance shall be classified
454 and filed for purposes of rates and forms under an inland
455 marine line of insurance, except that travel insurance that
456 provides coverage for sickness, accident, disability, or
457 death occurring during travel, either exclusively or in
458 conjunction with related coverages of emergency evacuation
459 or repatriation of remains or incidental limited property
460 and casualty benefits such as baggage or trip cancellation,
461 may be filed under either an accident and health line of
462 insurance or an inland marine line of insurance.

463 (2) Eligibility and underwriting standards for travel
464 insurance may be developed and provided based on travel
465 protection plans designed for individual or identified
466 marketing or distribution channels, provided those standards
467 also meet the state's underwriting standards for an inland
468 marine line of insurance.

469 [6.] 9. The limited lines travel insurance producer
470 and any travel retailer offering and disseminating travel
471 insurance under the limited lines travel insurance producer
472 license shall be subject to the provisions of chapters 374
473 and 375, except as provided for in this section.

474 [7.] 10. The director may promulgate rules to
475 effectuate this section. Any rule or portion of a rule, as
476 that term is defined in section 536.010, that is created
477 under the authority delegated in this section shall become
478 effective only if it complies with and is subject to all of
479 the provisions of chapter 536 and, if applicable, section
480 536.028. This section and chapter 536 are nonseverable and
481 if any of the powers vested with the general assembly
482 pursuant to chapter 536 to review, to delay the effective
483 date, or to disapprove and annul a rule are subsequently
484 held unconstitutional, then the grant of rulemaking
485 authority and any rule proposed or adopted after August 28,
486 2013, shall be invalid and void.

376.380. 1. The legal minimum standard for valuation
2 of policies and contracts and the reserves to be maintained
3 thereon shall be as follows:

4 (1) For those policies and contracts issued prior to
5 the operative date provided in subsection 20 of section
6 376.670:

7 (a) Except as otherwise provided in subdivision (3) of
8 this subsection, the legal minimum standard for valuation of
9 policies of life insurance or annuity contracts issued prior
10 to April 13, 1934, shall be the Actuaries' or Combined
11 Experience Table of Mortality, with interest at the rate of
12 five percent per annum for group annuity contracts and four
13 percent per annum for all other policies and contracts; and
14 for policies of life insurance and annuity contracts issued

15 on and after April 13, 1934, such minimum standard shall be
16 the American Experience Table of Mortality with interest at
17 the rate of five percent per annum for group annuity
18 contracts and three and one-half percent per annum for all
19 other policies and contracts;

20 (b) The director may vary the legal minimum standards
21 of interest and mortality for annuity contracts and in
22 particular cases of invalid or substandard lives and other
23 extra hazards, and shall have the right and authority to
24 designate the legal minimum standard for valuation of total
25 and permanent disability benefits and additional accidental
26 death benefits;

27 (c) Policies issued by companies doing business in
28 this state may provide for not more than one year
29 preliminary term insurance by incorporating in the
30 provisions thereof, specifying the premium consideration to
31 be received, a clause plainly showing that the first year's
32 insurance under such policies is term insurance, purchased
33 by the whole or a part of the premium to be received during
34 the first policy year and shall be valued accordingly;
35 provided, that if the premium charged for term insurance
36 under a limited payment life preliminary term policy
37 providing for the payment of all premiums thereon in less
38 than twenty years from the date of the policy, or under an
39 endowment preliminary term policy, exceeds that charged for
40 life insurance twenty payment life preliminary term policies
41 of the same company, the reserve thereon at the end of any
42 year, including the first, shall not be less than the
43 reserve on a twenty payment life preliminary term policy
44 issued in the same year and at the same age, together with
45 an amount which shall be equivalent to the accumulation of a
46 net level premium sufficient to provide for a pure endowment

47 at the end of the premium payment period equal to the
48 difference between the value at the end of such period of
49 such twenty payment life preliminary term policy and the
50 full reserve at such time of such a limited payment life or
51 endowment policy. The premium payment period is the period
52 during which premiums are concurrently payable under such
53 twenty payment life preliminary term policy and such limited
54 payment life or endowment policy;

55 (d) Reserves for all such policies and contracts may
56 be calculated, at the option of the company, according to
57 any standards which produce greater aggregate reserves for
58 all such policies and contracts than the minimum reserves
59 required by this subdivision. In the case of policy
60 obligations of an insolvent life insurance company assumed
61 or reinsured in bulk by an insurance company upon a basis
62 requiring a separate accounting of the business and assets
63 of such insolvent company and an application of any part of
64 the earnings therefrom upon obligations which are not
65 implicit in the original terms of the policies or contracts
66 assumed or reinsured, the director, in order to protect all
67 policyholders of the reinsuring company, including the
68 holders of all policies so assumed or reinsured, and to
69 safeguard the future solvency of such reinsuring company,
70 shall have the right and authority to designate standards of
71 valuation for such reinsured policies and contracts which
72 will produce greater aggregate reserves for all such
73 policies and contracts than the minimum reserves required by
74 this subdivision or the terms and provisions of the policies
75 and contracts so assumed or reinsured, and, in such event,
76 such reinsuring company shall not, thereafter, adopt any
77 lower standards of valuation without the approval of the
78 director.

79 (2) For those policies and contracts issued on or
80 after the operative date provided in subsection 20 of
81 section 376.670:

82 (a) Except as otherwise provided in subdivision (3) of
83 this subsection and subsection 2 of this section, the
84 minimum standard for the valuation of all such policies and
85 contracts shall be the commissioners reserve valuation
86 methods defined in paragraphs (b), (c), (d), (e), and (h) of
87 this subdivision, three and one-half percent interest on all
88 such policies and contracts except those contracts specified
89 in subparagraph c. of this paragraph which consist of
90 single premium annuity contracts and in subparagraph d. of
91 this paragraph which consists of group annuity contracts
92 where the interest rate shall be five percent, and except
93 policies and contracts, other than annuity and pure
94 endowment contracts, issued on or after September 28, 1975,
95 where the interest rate shall be four percent interest for
96 such policies issued prior to September 28, 1979, and four
97 and one-half percent interest for such policies issued on or
98 after September 28, 1979, and the following tables:

99 a. For all ordinary policies of life insurance issued
100 prior to the operative date provided in subsection 12 of
101 section 376.670 on the standard basis, excluding any
102 disability and accidental death benefits in such policies,
103 the Commissioners 1941 Standard Ordinary Mortality Table,
104 and for such policies issued on or after the operative date
105 provided in subsection 12 of section 376.670, and prior to
106 the operative date of subsection 14 of section 376.670, the
107 Commissioners 1958 Standard Ordinary Mortality Table;
108 provided that for any category of such policies issued on or
109 after September 28, 1979, on female risks all modified net
110 premiums and present values referred to in this section may

111 be calculated according to an age not more than six years
112 younger than the actual age of the insured; and for such
113 policies issued on or after the operative date of subsection
114 14 of section 376.670:

115 (i) The Commissioners 1980 Standard Ordinary Mortality
116 Table; or

117 (ii) At the election of the company for any one or
118 more specified plans of life insurance, the Commissioners
119 1980 Standard Ordinary Mortality Table with Ten-Year Select
120 Mortality Factors; or

121 (iii) Any ordinary mortality table, adopted after 1980
122 by the NAIC, that is approved by regulation promulgated by
123 the director for use in determining the minimum standard of
124 valuation for such policies;

125 b. For all industrial life insurance policies issued
126 on the standard basis, excluding any disability and
127 accidental death benefits in such policies, the 1941
128 Standard Industrial Mortality Table for such policies issued
129 prior to the operative date of subsection 13 of section
130 376.670 and for such policies issued on or after such
131 operative date, the Commissioners 1961 Standard Industrial
132 Mortality Table or any industrial mortality table, adopted
133 after 1980 by the NAIC, that is approved by regulation
134 promulgated by the director for use in determining the
135 minimum standard of valuation for such policies;

136 c. For individual annuity and pure endowment
137 contracts, excluding any disability and accidental death
138 benefits in such policies, the 1937 Standard Annuity
139 Mortality Table or, at the option of the company, the
140 Annuity Mortality Table for 1949, Ultimate, or any
141 modification of either of these tables approved by the
142 director;

143 d. For group annuity and pure endowment contracts,
144 excluding any disability and accidental death benefits in
145 such policies, the Group Annuity Mortality Table for 1951,
146 any modification of such table approved by the director, or,
147 at the option of the company, any of the tables or
148 modifications of tables specified for individual annuity and
149 pure endowment contracts;

150 e. For total and permanent disability benefits in or
151 supplementary to ordinary policies or contracts, for
152 policies or contracts issued on or after January 1, 1966,
153 the tables of period two disablement rates and the 1930 to
154 1950 termination rates of the 1952 disability study of the
155 Society of Actuaries, with due regard to the type of benefit
156 or any tables of disablement rates and termination rates,
157 adopted after 1980 by the NAIC, that are approved by
158 regulation promulgated by the director for use in
159 determining the minimum standard of valuation for such
160 policies; for policies or contracts issued on or after
161 January 1, 1961, and prior to January 1, 1966, either such
162 tables or at the option of the company, the Class (3)
163 Disability Table (1926); and for policies issued prior to
164 January 1, 1961, the Class (3) Disability Table (1926). Any
165 such table shall, for active lives, be combined with a
166 mortality table permitted for calculating the reserves for
167 life insurance policies;

168 f. For accidental death benefits in or supplementary
169 to policies issued on or after January 1, 1966, the 1959
170 Accidental Death Benefits Table or any accidental death
171 benefits table, adopted after 1980 by the NAIC, that is
172 approved by regulation promulgated by the director for use
173 in determining the minimum standard of valuation for such
174 policies; for policies issued on or after January 1, 1961,

175 and prior to January 1, 1966, either such table or, at the
176 option of the company, the Inter-Company Double Indemnity
177 Mortality Table; and for policies issued prior to January 1,
178 1961, the Inter-Company Double Indemnity Mortality Table.
179 Either table shall be combined with a mortality table
180 permitted for calculating the reserves for life insurance
181 policies;

182 g. For group life insurance, life insurance issued on
183 the substandard basis and other special benefits, such
184 tables as may be approved by the director;

185 (b) Except as otherwise provided in paragraphs (d),
186 (e), and (h) of this subdivision, reserves according to the
187 commissioners reserve valuation method, for the life
188 insurance and endowment benefits of policies providing for a
189 uniform amount of insurance and requiring the payment of
190 uniform premiums shall be the excess, if any, of the present
191 value, at the date of valuation, of such future guaranteed
192 benefits provided for by such policies, over the then
193 present value of any future modified net premiums therefor.
194 The modified net premiums for any such policy shall be such
195 uniform percentage of the respective contract premiums for
196 such benefits that the present value, at the date of issue
197 of the policy, of all such modified net premiums shall be
198 equal to the sum of the then present value of such benefits
199 provided for by the policy and the excess of a. over b., as
200 follows:

201 a. A net level annual premium equal to the present
202 value, at the date of issue, of such benefits provided for
203 after the first policy year, divided by the present value,
204 at the date of issue, of an annuity of one per annum payable
205 on the first and each subsequent anniversary of such policy
206 on which a premium falls due; provided, however, that such

207 net level annual premium shall not exceed the net level
208 annual premium on the nineteen year premium whole life plan
209 for insurance of the same amount at an age one year higher
210 than the age at issue of such policy;

211 b. A net one year term premium for such benefit
212 provided for in the first policy year; provided, that for
213 any life insurance policy issued on or after January 1,
214 1986, for which the contract premium in the first policy
215 year exceeds that of the second year and for which no
216 comparable additional benefit is provided in the first year
217 for such excess and which provides an endowment benefit or a
218 cash surrender value or a combination thereof in an amount
219 greater than such excess premium, the reserve according to
220 the commissioners reserve valuation method as of any policy
221 anniversary occurring on or before the assumed ending date
222 defined herein as the first policy anniversary on which the
223 sum of any endowment benefit and any cash surrender value
224 then available is greater than such excess premium shall,
225 except as otherwise provided in paragraph (h) of this
226 subdivision, be the greater of the reserve as of such policy
227 anniversary calculated as described in paragraph (b) of this
228 subdivision and the reserve as of such policy anniversary
229 calculated as described in paragraph (b) of this
230 subdivision, but with:

231 (i) The value defined in subparagraph a. of paragraph
232 (b) of this subdivision being reduced by fifteen percent of
233 the amount of such excess first year premium;

234 (ii) All present values of benefits and premiums being
235 determined without reference to premiums or benefits
236 provided for by the policy after the assumed ending date;

237 (iii) The policy being assumed to mature on such date
238 as an endowment; and

239 (iv) The cash surrender value provided on such date
240 being considered as an endowment benefit.

241 In making the above comparison the mortality and interest
242 bases stated in paragraph (a) of this subdivision and
243 subsection 2 of this section shall be used;

244 (c) Reserves according to the commissioners reserve
245 valuation method for:

246 a. Life insurance policies providing for a varying
247 amount of insurance or requiring the payment of varying
248 premiums;

249 b. Group annuity and pure endowment contracts
250 purchased under a retirement plan or plan of deferred
251 compensation, established or maintained by an employer
252 (including a partnership or sole proprietorship) or by an
253 employee organization, or by both, other than a plan
254 providing individual retirement accounts or individual
255 retirement annuities under Section 408 of the Internal
256 Revenue Code, as now or hereafter amended;

257 c. Disability and accidental death benefits in all
258 policies and contracts; and

259 d. All other benefits, except life insurance and
260 endowment benefits in life insurance policies and benefits
261 provided by all other annuity and pure endowment contracts,
262 shall be calculated by a method consistent with the
263 principles of paragraph (b) of this subdivision;

264 (d) Paragraph (e) of this subdivision shall apply to
265 all annuity and pure endowment contracts other than group
266 annuity and pure endowment contracts purchased under a
267 retirement plan or plan of deferred compensation,
268 established or maintained by an employer (including a
269 partnership or sole proprietorship), or by an employee

270 organization, or by both, other than a plan providing
271 individual retirement accounts or individual retirement
272 annuities under Section 408 of the Internal Revenue Code, as
273 now or hereafter amended;

274 (e) Reserves according to the commissioners annuity
275 reserve method for benefits under annuity or pure endowment
276 contracts, excluding any disability and accidental death
277 benefits in such contracts, shall be the greatest of the
278 respective excesses of the present values, at the date of
279 valuation, of the future guaranteed benefits, including
280 guaranteed nonforfeiture benefits, provided for by such
281 contracts at the end of each respective contract year, over
282 the present value, at the date of valuation, of any future
283 valuation considerations derived from future gross
284 considerations, required by the terms of such contract, that
285 become payable prior to the end of such respective contract
286 year. The future guaranteed benefits shall be determined by
287 using the mortality table, if any, and the interest rate, or
288 rates, specified in such contracts for determining
289 guaranteed benefits. The valuation considerations are the
290 portions of the respective gross considerations applied
291 under the terms of such contracts to determine nonforfeiture
292 values;

293 (f) In no event shall a company's aggregate reserves
294 for all life insurance policies, excluding disability and
295 accidental death benefits, be less than the aggregate
296 reserves calculated in accordance with the method set forth
297 in paragraphs (b), (c), (d), (e), (h) and (i) of this
298 subdivision and the mortality table or tables and rate or
299 rates of interest used in calculating nonforfeiture benefits
300 for such policies;

301 (g) In no event shall the aggregate reserves for all
302 policies, contracts and benefits be less than the aggregate
303 reserves determined by the qualified actuary to be necessary
304 to render the opinion required by subsections 4 and 5 of
305 this section;

306 (h) If in any contract year the gross premium charged
307 by any life insurance company on any policy or contract is
308 less than the valuation net premium for the policy or
309 contract calculated by the method used in calculating the
310 reserve thereon but using the minimum valuation standards of
311 mortality and rate of interest, the minimum reserve required
312 for such policy or contract shall be the greater of either
313 the reserve calculated according to the mortality table,
314 rate of interest, and method actually used for such policy
315 or contract, or the reserve calculated by the method
316 actually used for such policy or contract but using the
317 minimum valuation standards of mortality and rate of
318 interest and replacing the valuation net premium by the
319 actual gross premium in each contract year for which the
320 valuation net premium exceeds the actual gross premium. The
321 minimum valuation standards of mortality and rate of
322 interest referred to in this section are those standards
323 stated in paragraph (a) of this subdivision and subsection 2
324 of this section; provided, that for any life insurance
325 policy issued on or after January 1, 1986, for which the
326 gross premium in the first policy year exceeds that of the
327 second year and for which no comparable additional benefit
328 is provided in the first year for such excess and which
329 provides an endowment benefit or a cash surrender value or a
330 combination thereof in an amount greater than such excess
331 premium, the foregoing provisions of this paragraph shall be
332 applied as if the method actually used in calculating the

333 reserve for such policy were the method described in
334 paragraph (b) of this subdivision. The minimum reserve at
335 each policy anniversary of such a policy shall be the
336 greater of the minimum reserve calculated in accordance with
337 paragraphs (b) and (c) of this subdivision and the minimum
338 reserve calculated in accordance with this paragraph;

339 (i) In the case of any plan of life insurance which
340 provides for future premium determination, the amounts of
341 which are to be determined by the insurance company based on
342 then estimates of future experience, or in the case of any
343 plan of life insurance or annuity which is of such a nature
344 that the minimum reserves cannot be determined by the
345 methods described in paragraphs (b) to (e) of this
346 subdivision, and paragraph (h) of this subdivision, the
347 reserves which are held under any such plan must:

348 a. Be appropriate in relation to the benefits and the
349 pattern of premiums for that plan; and

350 b. Be computed by a method which is consistent with
351 the principles of this section as determined by regulations
352 promulgated by the director.

353 (3) Except as provided in subsection 2 of this
354 section, the minimum standard for the valuation of all
355 individual annuity and pure endowment contracts issued on or
356 after the operative date of this subdivision, as defined
357 herein, and for all annuities and pure endowments purchased
358 on or after such operative date under group annuity and pure
359 endowment contracts, shall be the commissioners reserve
360 valuation methods defined in paragraphs (b), (c), (d), and
361 (e) of subdivision (2) of this subsection, and the following
362 tables and interest rates:

363 (a) For individual annuity and pure endowment
364 contracts issued prior to September 28, 1979, excluding any

365 disability and accidental death benefits in such contracts,
366 the 1971 Individual Annuity Mortality Table, or any
367 modification of this table approved by the director, and six
368 percent interest for single premium immediate annuity
369 contracts, and four percent interest for all other
370 individual annuity and pure endowment contracts;

371 (b) For individual single premium immediate annuity
372 contracts issued on or after September 28, 1979, excluding
373 any disability and accidental death benefits in such
374 contracts, the 1971 Individual Annuity Mortality Table, or
375 any individual annuity mortality table adopted after 1980 by
376 the NAIC, that is approved by regulation promulgated by the
377 director for use in determining the minimum standard of
378 valuation for such contracts, or any modification of these
379 tables approved by the director, and seven and one-half
380 percent interest;

381 (c) For individual annuity and pure endowment
382 contracts issued on or after September 28, 1979, other than
383 single premium immediate annuity contracts, excluding any
384 disability and accidental death benefits in such contracts,
385 the 1971 Individual Annuity Mortality Table, or any
386 individual annuity mortality table adopted after 1980 by the
387 NAIC, that is approved by regulation promulgated by the
388 director for use in determining the minimum standard of
389 valuation for such contracts, or any modification of these
390 tables approved by the director, and five and one-half
391 percent interest for single premium deferred annuity and
392 pure endowment contracts and four and one-half percent
393 interest for all other such individual annuity and pure
394 endowment contracts;

395 (d) For all annuities and pure endowments purchased
396 prior to September 28, 1979, under group annuity and pure

397 endowment contracts, excluding any disability and accidental
398 death benefits purchased under such contracts, the 1971
399 Group Annuity Mortality Table, or any modification of this
400 table approved by the director, and six percent interest;

401 (e) For all annuities and pure endowments purchased on
402 or after September 28, 1979, under group annuity and pure
403 endowment contracts, excluding any disability and accidental
404 death benefits purchased under such contracts, the 1971
405 Group Annuity Mortality Table, or any group annuity
406 mortality table adopted after 1980 by the NAIC, that is
407 approved by regulation promulgated by the director for use
408 in determining the minimum standard of valuation for such
409 annuities and pure endowments, or any modification of these
410 tables approved by the director, and seven and one-half
411 percent interest;

412 (f) On and after September 28, 1975, any company may
413 file with the director a written notice of its election to
414 comply with the provisions of this subdivision after a
415 specified date before January 1, 1980, which shall be the
416 operative date of this subdivision for such company,
417 provided a company may elect a different operative date for
418 individual annuity and pure endowment contracts from that
419 elected for group annuity and pure endowment contracts. If
420 a company makes no such election, the operative date of this
421 subdivision for such company shall be January 1, 1980.

422 2. (1) The calendar year statutory valuation interest
423 rates as defined in this subsection shall be the interest
424 rates used in determining the minimum standard for the
425 valuation of:

426 (a) All life insurance policies issued in a particular
427 calendar year, on or after the operative date of subsection
428 14 of section 376.670;

429 (b) All individual annuity and pure endowment
430 contracts issued in a particular calendar year on or after
431 January 1, 1983;

432 (c) All annuities and pure endowment contracts
433 purchased in a particular calendar year on or after January
434 1, 1983, under group annuity and pure endowment contracts;
435 and

436 (d) The net increase, if any, in a particular calendar
437 year after January 1, 1983, in amounts held under guaranteed
438 interest contracts.

439 (2) The calendar year statutory valuation interest
440 rates, I , shall be determined as follows and the results
441 rounded to the nearer one-quarter of one percent:

442 (a) For life insurance:

443 $I = .03 + W (R_1 - .03) + W/2 (R_2 - .09);$

444 (b) For single premium immediate annuities and for
445 annuity benefits involving life contingencies arising from
446 other annuities with cash settlement options and from
447 guaranteed interest contracts with cash settlement options:

448 $I = .03 + W (R - .03)$, where R_1 is the lesser of R
449 and $.09$; R_2 is the greater of R and $.09$; R is
450 the reference interest rate defined in this
451 subsection; and W is the weighting factor
452 defined in this subsection;

453 (c) For other annuities with cash settlement options
454 and guaranteed interest contracts with cash settlement
455 options, valued on an issue year basis, except as stated in
456 paragraph (b) of this subdivision, the formula for life
457 insurance stated in paragraph (a) of this subdivision shall
458 apply to annuities and guaranteed interest contracts with
459 guarantee durations in excess of ten years and the formula
460 for single premium immediate annuities stated in paragraph

461 (b) of this subdivision shall apply to annuities and
462 guaranteed interest contracts with guarantee durations of
463 ten years or less;

464 (d) For other annuities with no cash settlement
465 options and for guaranteed interest contracts with no cash
466 settlement options, the formula for single premium immediate
467 annuities stated in paragraph (b) of this subdivision shall
468 apply;

469 (e) For other annuities with cash settlement options
470 and guaranteed interest contracts with cash settlement
471 options, valued on a change in fund basis, the formula for
472 single premium immediate annuities stated in paragraph (b)
473 of this subdivision shall apply. If the calendar year
474 statutory valuation interest rate for any life insurance
475 policies issued in any calendar year determined without
476 reference to this sentence differs from the corresponding
477 actual rate for similar policies issued in the immediately
478 preceding calendar year by less than one-half of one
479 percent, the calendar year statutory valuation interest rate
480 for such life insurance policies shall be equal to the
481 corresponding actual rate for the immediately preceding
482 calendar year. For purposes of applying the immediately
483 preceding sentence, the calendar year statutory valuation
484 interest rate for life insurance policies issued in a
485 calendar year shall be determined for 1980 (using the
486 reference interest rate defined for 1979) and shall be
487 determined for each subsequent calendar year regardless of
488 when subsection 14 of section 376.670 becomes operative.

489 (3) The weighting factors referred to in the formulas
490 stated in subdivision (2) of this subsection are given in
491 the following tables:

492 (a) Weighting factors for life insurance:

493	Guarantee	Weighting
494	Duration	Factors
495	(Years)	
496	10 or less	.50
497	More than 10, but not more	.45
498	than 20	
499	More than 20	.35

500 For life insurance, the guarantee duration is the maximum
 501 number of years the life insurance can remain in force on a
 502 basis guaranteed in the policy or under options to convert
 503 to plans of life insurance with premium rates or
 504 nonforfeiture values or both which are guaranteed in the
 505 original policy;

506 (b) Weighting factor for single premium immediate
 507 annuities and for annuity benefits involving life
 508 contingencies arising from other annuities with cash
 509 settlement options and guaranteed interest contracts with
 510 cash settlement options: .80;

511 (c) Weighting factors for other annuities and for
 512 guaranteed interest contracts, except as stated in paragraph
 513 (b) of this subdivision, shall be as specified in
 514 subparagraphs a., b., and c. of this paragraph, according to
 515 the rules and definitions in subparagraphs d., e., and f. of
 516 this paragraph:

517 a. For annuities and guaranteed interest contracts
 518 valued on an issue year basis:

519	Guarantee	Weighting Factor		
520	Duration	for Plan Type		
521	(Years)	A	B	C

522	5 or less:	.80	.60	.50
523	More than 5, but not more than	.75	.60	.50
524	10:			
525	More than 10, but not more than	.65	.50	.45
526	20:			
527	More than 20:	.45	.35	.35

528 b. For annuities and guaranteed interest contracts
529 valued on a change in fund basis, the factors shown in
530 subparagraph a. of this paragraph increased by:

531	Plan Type		
532	A	B	C
533	.15	.25	.05

534 c. For annuities and guaranteed interest contracts
535 valued on an issue year basis (other than those with no cash
536 settlement options) which do not guarantee interest on
537 considerations received more than one year after issue or
538 purchase and for annuities and guaranteed interest contracts
539 valued on a change in fund basis which do not guarantee
540 interest rates on considerations received more than twelve
541 months beyond the valuation date, the factors shown in
542 subparagraph a. of this paragraph or derived in subparagraph
543 b. of this paragraph increased by:

544	Plan Type		
545	A	B	C
546	.05	.05	.05

547 d. For other annuities with cash settlement options
548 and guaranteed interest contracts with cash settlement
549 options, the guarantee duration is the number of years for
550 which the contract guarantees interest rates in excess of
551 the calendar year statutory valuation interest rate for life
552 insurance policies with guarantee duration in excess of
553 twenty years. For other annuities with no cash settlement
554 options and for guaranteed interest contracts with no cash
555 settlement options, the guarantee duration is the number of
556 years from the date of issue or date of purchase to the date
557 annuity benefits are scheduled to commence;

558 e. Plan type as used in subparagraphs a., b., and c.
559 of this paragraph is defined as follows:

560 Plan Type A: At any time policyholder may withdraw
561 funds only with an adjustment to reflect changes in interest
562 rates or asset values since receipt of the funds by the
563 insurance company, or without such adjustment but in
564 installments over five years or more, or as an immediate
565 life annuity, or no withdrawal permitted;

566 Plan Type B: Before expiration of the interest rate
567 guarantee, policyholder may withdraw funds only with an
568 adjustment to reflect changes in interest rates or asset
569 values since receipt of the funds by the insurance company,
570 or without such adjustment but in installments over five
571 years or more, or no withdrawal permitted. At the end of
572 interest rate guarantee, funds may be withdrawn without such
573 adjustment in a single sum or installments over fewer than
574 five years;

575 Plan Type C: Policyholder may withdraw funds before
576 expiration of interest rate guarantee in a single sum or
577 installments over fewer than five years either without
578 adjustment to reflect changes in interest rates or asset

579 values since receipt of the funds by the insurance company,
580 or subject only to a fixed surrender charge stipulated in
581 the contract as a percentage of the fund;

582 f. A company may elect to value guaranteed interest
583 contracts with cash settlement options and annuities with
584 cash settlement options on either an issue year basis or on
585 a change in fund basis. Guaranteed interest contracts with
586 no cash settlement options and other annuities with no cash
587 settlement options must be valued on an issue year basis.
588 As used in this subsection an issue year basis of valuation
589 refers to a valuation basis under which the interest rate
590 used to determine the minimum valuation standard for the
591 entire duration of the annuity or guaranteed interest
592 contract is the calendar year valuation interest rate for
593 the year of issue or year of purchase of the annuity or
594 guaranteed interest contract, and the change in fund basis
595 of valuation refers to a valuation basis under which the
596 interest rate used to determine the minimum valuation
597 standard applicable to each change in the fund held under
598 the annuity or guaranteed interest contract is the calendar
599 year valuation interest rate for the year of the change in
600 the fund.

601 (4) The "reference interest rate" referred to in
602 subdivision (2) of this subsection shall be defined as
603 follows:

604 (a) For all life insurance, the lesser of the average
605 over a period of thirty-six months and the average over a
606 period of twelve months, ending on June thirtieth of the
607 calendar year next preceding the year of issue, of the
608 Monthly Average of the Composite Yield on Seasoned Corporate
609 Bonds, as published by Moody's Investors Service, Inc.;

610 (b) For single premium immediate annuities and for
611 annuity benefits involving life contingencies arising from
612 other annuities with cash settlement options and guaranteed
613 interest contracts with cash settlement options, the average
614 over a period of twelve months, ending on June thirtieth of
615 the calendar year of issue or purchase, of the Monthly
616 Average of the Composite Yield on Seasoned Corporate Bonds,
617 as published by Moody's Investors Service, Inc.;

618 (c) For other annuities with cash settlement options
619 and guaranteed interest contracts with cash settlement
620 options, valued on a year of issue basis, except as stated
621 in paragraph (b) of this subdivision, with guarantee
622 duration in excess of ten years, the lesser of the average
623 over a period of thirty-six months and the average over a
624 period of twelve months, ending on June thirtieth of the
625 calendar year of issue or purchase, of the Monthly Average
626 of the Composite Yield on Seasoned Corporate Bonds, as
627 published by Moody's Investors Service, Inc.;

628 (d) For other annuities with cash settlement options
629 and guaranteed interest contracts with cash settlement
630 options, valued on a year of issue basis, except as stated
631 in paragraph (b) of this subdivision, with guarantee
632 duration of ten years or less, the average over a period of
633 twelve months, ending on June thirtieth of the calendar year
634 of issue or purchase, of the Monthly Average of the
635 Composite Yield on Seasoned Corporate Bonds, as published by
636 Moody's Investors Service, Inc.;

637 (e) For other annuities with no cash settlement
638 options and for guaranteed interest contracts with no cash
639 settlement options, the average over a period of twelve
640 months, ending on June thirtieth of the calendar year of
641 issue or purchase, of the Monthly Average of the Composite

642 Yield on Seasoned Corporate Bonds, as published by Moody's
643 Investors Service, Inc.;

644 (f) For other annuities with cash settlement options
645 and guaranteed interest contracts with cash settlement
646 options, valued on a change in fund basis, except as stated
647 in paragraph (b) of this subdivision, the average over a
648 period of twelve months, ending on June thirtieth of the
649 calendar year of the change in the fund, of the Monthly
650 Average of the Composite Yield on Seasoned Corporate Bonds,
651 as published by Moody's Investors Service, Inc.

652 (5) In the event that the Monthly Average of the
653 Composite Yield on Seasoned Corporate Bonds is no longer
654 published by Moody's Investors Service, Inc., or in the
655 event that the NAIC determines that the Monthly Average of
656 the Composite Yield on Seasoned Corporate Bonds as published
657 by Moody's Investors Service, Inc., is no longer appropriate
658 for the determination of the reference interest rate, then
659 an alternative method for determination of the reference
660 interest rate, which is adopted by the NAIC and approved by
661 regulation promulgated by the director, may be substituted.

662 3. For accident and health insurance contracts issued
663 on or after the operative date of the valuation manual, the
664 standard prescribed in the valuation manual is the minimum
665 standard of valuation required under subsection 2 of section
666 376.370. For disability, accident and sickness, and
667 accident and health insurance contracts issued on or after
668 the operative date provided in subsection 20 of section
669 376.670 and prior to the operative date of the valuation
670 manual, the minimum standard of valuation is the standard
671 adopted by the director by regulation.

672 4. (1) This subsection shall apply to actuarial
673 opinions of reserves prior to the date of the valuation
674 manual.

675 (2) Every life insurance company doing business in
676 this state shall annually submit the opinion of a qualified
677 actuary as to whether the reserves and related actuarial
678 items held in support of the policies and contracts
679 specified by the director by regulation are computed
680 appropriately, are based on assumptions which satisfy
681 contractual provisions, are consistent with prior reported
682 amounts and comply with applicable laws of this state. The
683 director by regulation shall define the specifics of this
684 opinion and add any other items deemed to be necessary to
685 its scope.

686 (3) (a) Every life insurance company, except as
687 exempted by or pursuant to regulation, shall also annually
688 include in the opinion required by subdivision (2) of this
689 subsection, an opinion of the same qualified actuary as to
690 whether the reserves and related actuarial items held in
691 support of the policies and contracts specified by the
692 director by regulation, when considered in light of the
693 assets held by the company with respect to the reserves and
694 related actuarial items, including but not limited to the
695 investment earnings on the assets and the considerations
696 anticipated to be received and retained under the policies
697 and contracts, make adequate provision for the company's
698 obligations under the policies and contracts, including but
699 not limited to the benefits under and expenses associated
700 with the policies and contracts.

701 (b) The director may provide by regulation for a
702 transition period for establishing any higher reserves which

703 the qualified actuary may deem necessary in order to render
704 the opinion required by this subsection.

705 (4) Each opinion required by subdivision (3) of this
706 subsection shall be governed by the following provisions:

707 (a) A memorandum, in form and substance acceptable to
708 the director as specified by regulation, shall be prepared
709 to support each actuarial opinion; and

710 (b) If the insurance company fails to provide a
711 supporting memorandum at the request of the director within
712 a period specified by regulation or the director determines
713 that the supporting memorandum provided by the insurance
714 company fails to meet the standards prescribed by the
715 regulations or is otherwise unacceptable to the director,
716 the director may engage a qualified actuary at the expense
717 of the company to review the opinion and the basis for the
718 opinion and prepare such supporting memorandum as is
719 required by the director.

720 (5) Every opinion required by this subsection shall be
721 governed by the following provisions:

722 (a) The opinion shall be submitted with the annual
723 statement reflecting the valuation of such reserve
724 liabilities for each year ending on or after December 31,
725 1993;

726 (b) The opinion shall apply to all business in force
727 including individual and group health insurance plans, in
728 form and substance acceptable to the director as specified
729 by regulation;

730 (c) The opinion shall be based on standards adopted
731 from time to time by the Actuarial Standards Board and on
732 such additional standards as the director may by regulation
733 prescribe;

734 (d) In the case of an opinion required to be submitted
735 by a foreign or alien company, the director may accept the
736 opinion filed by that company with the insurance supervisory
737 official of another state if the director determines that
738 the opinion reasonably meets the requirements applicable to
739 a company domiciled in this state;

740 (e) For the purposes of this section, "qualified
741 actuary" means a member in good standing of the American
742 Academy of Actuaries who meets the requirements set forth in
743 such regulations;

744 (f) Except in cases of fraud or willful misconduct,
745 the qualified actuary shall not be liable for damages to any
746 person, other than the insurance company and the director,
747 for any act, error, omission, decision or conduct with
748 respect to the actuary's opinion;

749 (g) Disciplinary action by the director against the
750 company or the qualified actuary shall be defined in
751 regulations by the director; and

752 (h) Any memorandum in support of the opinion, and any
753 other material provided by the company to the director in
754 connection therewith, shall be kept confidential by the
755 director and shall not be made public and shall not be
756 subject to subpoena, other than for the purpose of defending
757 an action seeking damages from any person by reason of any
758 action required by this section or by regulations
759 promulgated hereunder; except that the memorandum or other
760 material may otherwise be released by the director:

761 a. With the written consent of the company; or
762 b. To the American Academy of Actuaries upon request
763 stating that the memorandum or other material is required
764 for the purpose of professional disciplinary proceedings and
765 setting forth procedures satisfactory to the director for

766 preserving the confidentiality of the memorandum or other
767 material.

768 Once any portion of the confidential memorandum is cited by
769 the company in its marketing or is cited before any
770 governmental agency other than a state insurance department
771 or is released by the company to the news media, all
772 portions of the confidential memorandum shall be no longer
773 confidential.

774 5. (1) This subsection shall apply to actuarial
775 opinions of reserves after the operative date of the
776 valuation manual.

777 (2) Every company with outstanding life insurance
778 contracts, accident and health insurance contracts, or
779 deposit-type contracts in Missouri and subject to regulation
780 by the director shall annually submit the opinion of the
781 appointed actuary as to whether the reserves and related
782 actuarial items held in support of the policies and
783 contracts are computed appropriately, are based on
784 assumptions that satisfy contractual provisions, are
785 consistent with prior reported amounts, and comply with
786 applicable Missouri law. The valuation manual shall
787 prescribe the specifics of such opinion, including any items
788 deemed to be necessary to its scope.

789 (3) Every company with outstanding life insurance
790 contracts, accident and health insurance contracts, or
791 deposit-type contracts in Missouri and subject to regulation
792 by the director, except as exempted in the valuation manual,
793 shall also annually include in the opinion required under
794 subdivision (2) of this subsection an opinion of the same
795 appointed actuary as to whether the reserves and related
796 actuarial items held in support of the policies and

797 contracts specified in the valuation manual, when considered
798 in light of the assets held by the company with respect to
799 the reserves and related actuarial items including, but not
800 limited to, the investment earnings on the assets and the
801 considerations anticipated to be received and retained under
802 the policies and contracts, make adequate provision for the
803 company's obligations under the policies and contracts
804 including, but not limited to, benefits under and expenses
805 associated with the policies and contracts.

806 (4) Each opinion required by subdivision (3) of this
807 subsection shall be governed by the following provisions:

808 (a) A memorandum, in form and substance as specified
809 in the valuation manual and acceptable to the director,
810 shall be prepared to support each actuarial opinion; and

811 (b) If the insurance company fails to provide a
812 supporting memorandum at the request of the director within
813 a period specified in the valuation manual or the director
814 determines that the supporting memorandum provided by the
815 insurance company fails to meet the standards prescribed by
816 the valuation manual or is otherwise unacceptable to the
817 director, the director may engage a qualified actuary at the
818 expense of the company to review the opinion and the basis
819 for the opinion and prepare the supporting memorandum
820 required by the director.

821 (5) Every opinion required by this subsection shall be
822 governed by the following:

823 (a) The opinion shall be in form and substance as
824 specified in the valuation manual and acceptable to the
825 director;

826 (b) The opinion shall be submitted with the annual
827 statement reflecting the valuation of such reserve

828 liabilities for each year ending on or after the operative
829 date of the valuation manual;

830 (c) The opinion shall apply to all policies and
831 contracts subject to subdivision (3) of this subsection,
832 plus other actuarial liabilities as may be specified in the
833 valuation manual;

834 (d) The opinion shall be based on standards adopted
835 from time to time by the Actuarial Standards Board or its
836 successor, and on such additional standards as may be
837 prescribed in the valuation manual;

838 (e) In the case of an opinion required to be submitted
839 by a foreign or alien company, the director may accept the
840 opinion filed by such company with the insurance supervisory
841 official of another state if the director determines that
842 the opinion reasonably meets the requirements applicable to
843 a company domiciled in Missouri;

844 (f) Except in cases of fraud or willful misconduct,
845 the appointed actuary shall not be liable for damages to any
846 person, other than the insurance company and the director,
847 for any act, error, omission, decision, or conduct with
848 respect to the appointed actuary's opinion; and

849 (g) Disciplinary action by the director against the
850 company or the appointed actuary shall be defined in
851 regulations by the director.

852 6. (1) For policies issued on or after the operative
853 date of the valuation manual, the standard prescribed in the
854 valuation manual is the minimum standard of valuation
855 required under subsection 2 of section 376.370, except as
856 provided under subdivision (5) or (7) of this subsection.

857 (2) The operative date of the valuation manual is
858 January first of the first calendar year following the first
859 July first as of which all of the following have occurred:

860 (a) The valuation manual has been adopted by the NAIC
861 by an affirmative vote of at least forty-two members or
862 three-fourths of the members voting, whichever is greater;

863 (b) The standard valuation law as amended by the NAIC
864 in 2009 or legislation including substantially similar terms
865 and provisions has been enacted by states representing
866 greater than seventy-five percent of the direct premiums
867 written as reported in the following annual statements
868 submitted for 2008: life, accident, and health annual
869 statements; health annual statements; or fraternal annual
870 statements;

871 (c) The standard valuation law as amended by the NAIC
872 in 2009 or legislation including substantially similar terms
873 and provisions has been enacted by at least forty-two of the
874 following fifty-five jurisdictions: the fifty states of the
875 United States, American Samoa, the American Virgin Islands,
876 the District of Columbia, Guam, and Puerto Rico; and

877 (d) The valuation manual becomes effective under an
878 order of the director.

879 (3) Unless a change in the valuation manual specifies
880 a later effective date, changes to the valuation manual
881 shall be effective on January first following the date when
882 all of the following have occurred:

883 (a) The change to the valuation manual has been
884 adopted by the NAIC by an affirmative vote representing:

885 a. At least three-fourths of the members of the NAIC
886 voting, but not less than a majority of the total
887 membership; and

888 b. Members of the NAIC representing jurisdictions
889 totaling greater than seventy-five percent of the direct
890 premiums written as reported in the following annual
891 statements most recently available prior to the vote in

892 subparagraph a. of this paragraph: life, accident, and
893 health annual statements; health annual statements; or
894 fraternal annual statements;

895 (b) The valuation manual becomes effective under an
896 order of the director.

897 (4) The valuation manual shall specify all of the
898 following:

899 (a) Minimum valuation standards for and definitions of
900 the policies or contracts subject to subsection 2 of section
901 376.370. Such minimum standards shall be:

902 a. The commissioners reserve valuation method for life
903 insurance contracts, other than annuity contracts, subject
904 to subsection 2 of section 376.370;

905 b. The commissioners annuity reserve valuation method
906 for annuity contracts subject to subsection 2 of section
907 376.370; and

908 c. Minimum reserves for all other policies and
909 contracts subject to subsection 2 of section 376.370;

910 (b) Which policies or contracts or types of policies
911 or contracts are subject to the requirements of a principle-
912 based valuation under subdivision (1) of subsection 7 of
913 this section and the minimum valuation standards consistent
914 with such requirements;

915 (c) For policies and contracts subject to principle-
916 based valuation under subsection 7 of this section:

917 a. Requirements for the format of reports to the
918 director under paragraph (c) of subdivision (2) of
919 subsection 7 of this section and which shall include
920 information necessary to determine if the valuation is
921 appropriate and in compliance with sections 376.365 to
922 376.380;

923 b. Assumptions which shall be prescribed for risks
924 over which the company does not have significant control or
925 influence;

926 c. Procedures for corporate governance and oversight
927 of the actuarial function, and a process for appropriate
928 waiver or modification of such procedures;

929 (d) For policies not subject to a principle-based
930 valuation under subsection 7 of this section, the minimum
931 valuation standard shall either:

932 a. Be consistent with the minimum standard of
933 valuation prior to the operative date of the valuation
934 manual; or

935 b. Develop reserves that quantify the benefits and
936 guarantees, and the funding, associated with the contracts
937 and their risks at a level of conservatism that reflects
938 conditions that include unfavorable events that have a
939 reasonable probability of occurring;

940 (e) Other requirements including, but not limited to,
941 those relating to reserve methods, models for measuring
942 risk, generation of economic scenarios, assumptions,
943 margins, use of company experience, risk measurement,
944 disclosure, certifications, reports, actuarial opinions and
945 memorandums, transition rules, and internal controls; and

946 (f) The data and form of the data required under
947 subsection 8 of this section, to whom the data shall be
948 submitted, and may specify other requirements, including
949 data analyses and reporting of analyses.

950 (5) In the absence of a specific valuation requirement
951 or if a specific valuation requirement in the valuation
952 manual is not, in the opinion of the director, in compliance
953 with sections 376.365 to 376.380, the company shall, with

954 respect to such requirements, comply with minimum valuation
955 standards prescribed by the director by regulation.

956 (6) The director may engage a qualified actuary, at
957 the expense of the company, to perform an actuarial
958 examination of the company and opine on the appropriateness
959 of any reserve assumption or method used by the company, or
960 to review and opine on a company's compliance with any
961 requirement set forth in sections 376.365 to 376.380. The
962 director may rely upon the opinion regarding provisions
963 contained in sections 376.365 to 376.380 of a qualified
964 actuary engaged by the director of another state, district,
965 or territory of the United States. As used in this
966 subdivision, engage includes employment and contracting.

967 (7) The director may require a company to change any
968 assumption or method that in the opinion of the director is
969 necessary in order to comply with the requirements of the
970 valuation manual or sections 376.365 to 376.380, and the
971 company shall adjust the reserves as required by the
972 director. The director may take other disciplinary action
973 as permitted under chapter 354 and chapters 374 to 385.

974 7. (1) A company shall establish reserves using a
975 principle-based valuation that meets the following
976 conditions for policies or contracts as specified in the
977 valuation manual:

978 (a) Quantify the benefits and guarantees, and the
979 funding, associated with the contracts and their risks at a
980 level of conservatism that reflects conditions that include
981 unfavorable events that have a reasonable probability of
982 occurring during the lifetime of the contracts. For
983 policies or contracts with significant tail risk, the
984 company's valuation shall reflect conditions appropriately
985 adverse to quantify the tail risk;

986 (b) Incorporate assumptions, risk analysis methods,
987 and financial models and management techniques that are
988 consistent with, but not necessarily identical to, those
989 utilized within the company's overall risk assessment
990 process, while recognizing potential differences in
991 financial reporting structures and any prescribed
992 assumptions or methods;

993 (c) Incorporate assumptions that are derived in one of
994 the following manners:

995 a. The assumption is prescribed in the valuation
996 manual; or

997 b. For assumptions that are not prescribed, the
998 assumption shall:

999 (i) Be established utilizing the company's available
1000 experience to the extent it is relevant and statistically
1001 credible; or

1002 (ii) To the extent that company data is not available,
1003 relevant, or statistically credible, be established
1004 utilizing other relevant statistically credible experience;

1005 (d) Provide margins for uncertainty, including adverse
1006 deviation and estimation error, such that the greater the
1007 uncertainty the larger the margin and resulting reserve.

1008 (2) A company using a principle-based valuation for
1009 one or more policies or contracts subject to this section as
1010 specified in the valuation manual shall:

1011 (a) Establish procedures for corporate governance and
1012 oversight of the actuarial valuation function consistent
1013 with those described in the valuation manual;

1014 (b) Provide to the director an annual certification of
1015 the effectiveness of the internal controls with respect to
1016 the principle-based valuation. Such controls shall be
1017 designed to ensure that all material risks inherent in the

1018 liabilities and associated assets subject to such valuation
1019 are included in the valuation and that valuations are made
1020 in accordance with the valuation manual. The certification
1021 shall be based on the controls in place as of the end of the
1022 preceding calendar year;

1023 (c) Develop, and file with the director upon request,
1024 a principle-based valuation report that complies with
1025 standards prescribed in the valuation manual.

1026 (3) A principle-based valuation may include a
1027 prescribed formulaic reserve component.

1028 8. For policies in force on or after the operative
1029 date of the valuation manual, a company shall submit
1030 mortality, morbidity, policyholder behavior, or expense
1031 experience and other data as prescribed in the valuation
1032 manual.

1033 9. (1) For purposes of this subsection, "confidential
1034 information" means:

1035 (a) A memorandum in support of an opinion submitted
1036 under subsection 4 or 5 of this section and any other
1037 documents, materials, and other information including, but
1038 not limited to, all working papers and copies thereof
1039 created, produced, or obtained by or disclosed to the
1040 director or any other person in connection with such
1041 memorandum;

1042 (b) All documents, materials, and other information
1043 including, but not limited to, all working papers and copies
1044 thereof created, produced, or obtained by or disclosed to
1045 the director or any other person in the course of an
1046 examination made under subdivision (6) of subsection 6 of
1047 this section; provided, however, that if an examination
1048 report or other material prepared in connection with an
1049 examination made under section 374.205 is not held as

1050 private and confidential information under section 374.205,
1051 an examination report or other material prepared in
1052 connection with an examination made under subdivision (6) of
1053 subsection 6 of this section shall not be confidential
1054 information to the same extent as if such examination report
1055 or other material had been prepared under section 374.205;

1056 (c) Any reports, documents, materials, and other
1057 information developed by a company in support of or in
1058 connection with an annual certification by the company under
1059 paragraph (b) of subdivision (2) of subsection 7 of this
1060 section evaluating the effectiveness of the company's
1061 internal controls with respect to a principle-based
1062 valuation and any other documents, materials, and other
1063 information including, but not limited to, all working
1064 papers and copies thereof created, produced, or obtained by
1065 or disclosed to the director or any other person in
1066 connection with such reports, documents, material, and other
1067 information;

1068 (d) Any principle-based valuation report developed
1069 under paragraph (c) of subdivision (2) of subsection 7 of
1070 this section and any other documents, materials, and other
1071 information including, but not limited to, all working
1072 papers and copies thereof created, produced, or obtained by
1073 or disclosed to the director or any other person in
1074 connection with such report; and

1075 (e) Any documents, materials, data, and other
1076 information submitted by a company under subsection 8 of
1077 this section (collectively, "experience data") and any
1078 other documents, materials, data, and other information
1079 including, but not limited to, all working papers and copies
1080 thereof created or produced in connection with such
1081 experience data, in each case that include any potentially

1082 company-identifying or personally identifiable information,
1083 that is provided to or obtained by the director (together
1084 with any "experience data", the "experience materials") and
1085 any other documents, materials, data, and other information
1086 including, but not limited to, all working papers and copies
1087 thereof created, produced, or obtained by or disclosed to
1088 the director or any other person in connection with such
1089 experience materials.

1090 (2) (a) Except as provided in this subsection, a
1091 company's confidential information is confidential by law
1092 and privileged, and shall not be subject to chapter 610,
1093 shall not be subject to subpoena, and shall not be subject
1094 to discovery or admissible in evidence in any private civil
1095 action; provided, however, that the director is authorized
1096 to use the confidential information in the furtherance of
1097 any regulatory or legal action brought against the company
1098 as a part of the director's official duties.

1099 (b) Neither the director nor any person who received
1100 confidential information while acting under the authority of
1101 the director shall be permitted or required to testify in
1102 any private civil action concerning any confidential
1103 information.

1104 (c) In order to assist in the performance of the
1105 director's duties, the director may share confidential
1106 information with:

1107 a. Other state, federal, and international regulatory
1108 agencies and with the NAIC and its affiliates and
1109 subsidiaries; and

1110 b. In the case of confidential information specified
1111 in paragraphs (a) and (d) of subdivision (1) of this
1112 subsection only, the Actuarial Board for Counseling and
1113 Discipline or its successor upon request stating that the

1114 confidential information is required for the purpose of
1115 professional disciplinary proceedings and with state,
1116 federal, and international law enforcement officials.

1117 (d) The sharing of confidential information detailed
1118 in paragraph (c) of this subdivision shall be contingent on
1119 such recipient agreeing and having the legal authority to
1120 agree to maintain the confidentiality and privileged status
1121 of such documents, materials, data, and other information in
1122 the same manner and to the same extent as required for the
1123 director.

1124 (e) The director may receive documents, materials,
1125 data, and other information, including otherwise
1126 confidential and privileged documents, materials, data, or
1127 information, from the NAIC and its affiliates and
1128 subsidiaries, from regulatory or law enforcement officials
1129 of other foreign or domestic jurisdictions, and from the
1130 Actuarial Board for Counseling and Discipline or its
1131 successor and shall maintain as confidential or privileged
1132 any document, material, data, or other information received
1133 with notice or the understanding that it is confidential or
1134 privileged under the laws of the jurisdiction that is the
1135 source of the document, material, or other information.

1136 (f) The director may enter into agreements governing
1137 sharing and use of information consistent with this
1138 subdivision.

1139 (g) No waiver of any applicable privilege or claim of
1140 confidentiality in the confidential information shall occur
1141 as a result of disclosure to the director under this section
1142 or as a result of sharing as authorized in paragraph (c) of
1143 this subdivision.

1144 (h) A privilege established under the law of any state
1145 or jurisdiction that is substantially similar to the

1146 privilege established under this subdivision shall be
1147 available and enforced in any proceeding in, and in any
1148 court of, Missouri.

1149 (i) In this subsection, regulatory agency, law
1150 enforcement agency, and the NAIC include, but are not
1151 limited to, their employees, agents, consultants and
1152 contractors.

1153 (3) Notwithstanding subdivision (2) of this
1154 subsection, any confidential information specified in
1155 paragraphs (a) and (d) of subdivision (1) of this subsection:

1156 (a) May be subject to subpoena for the purpose of
1157 defending an action seeking damages from the appointed
1158 actuary submitting the related memorandum in support of an
1159 opinion submitted under subsection 4 or 5 of this section or
1160 principle-based valuation report developed under paragraph
1161 (c) of subdivision (2) of subsection 7 of this section by
1162 reason of an action required by sections 376.365 to 376.380
1163 or by regulations promulgated hereunder;

1164 (b) May otherwise be released by the director with the
1165 written consent of the company; and

1166 (c) Once any portion of a memorandum in support of an
1167 opinion submitted under subsection 4 or 5 of this section or
1168 a principle-based valuation report developed under paragraph
1169 (c) of subdivision (2) of subsection 7 of this section is
1170 cited by the company in its marketing, or is publicly
1171 volunteered to or before a governmental agency other than a
1172 state insurance department, or is released by the company to
1173 the news media, all portions of such memorandum or report
1174 shall no longer be confidential.

1175 10. The director may exempt specific product forms or
1176 product lines of a domestic company that is licensed and

1177 doing business only in Missouri from the requirements of
1178 subsection 6 of this section provided:

1179 (1) The director has issued an exemption in writing to
1180 the company and has not subsequently revoked the exemption
1181 in writing; and

1182 (2) The company computes reserves using assumptions
1183 and methods used prior to the operative date of the
1184 valuation manual in addition to any requirements established
1185 by the director and promulgated by regulation.

1186 For any company granted an exemption under this section,
1187 subsection 3 of section 376.370 and subsections 1 to 5 of
1188 this section shall be applicable. With respect to any
1189 company applying this exemption, any reference to subsection
1190 6 of this section found in subsection 3 of section 376.370
1191 and subsections 1 to 5 of this section shall not be
1192 applicable.

1193 [11. (1) A company that has less than three hundred
1194 million dollars of ordinary life premium and that is
1195 licensed and doing business in Missouri and that is subject
1196 to the requirements of subsections 6 and 7 of this section
1197 may hold reserves based on the mortality tables and interest
1198 rates defined by the valuation manual for net premium
1199 reserves and using the methodology defined in the provisions
1200 of paragraphs (b) through (i) of subdivision (2) of
1201 subsection 1 of this section and subsection 3 of section
1202 376.370 as they apply to ordinary life insurance in lieu of
1203 the reserves required by subsections 6 and 7 of this
1204 section, provided that:

1205 (a) If the company is a member of a group of life
1206 insurers, the group has combined ordinary life premiums of
1207 less than six hundred million dollars;

1208 (b) The company reported total adjusted capital of at
1209 least four hundred fifty percent of authorized control level
1210 risk-based capital in the risk-based capital report for the
1211 prior calendar year;

1212 (c) The appointed actuary has provided an unqualified
1213 opinion on the reserves in accordance with subsections 4 and
1214 5 of this section for the prior calendar year;

1215 (d) The company has provided a certification by a
1216 qualified actuary that any universal life policy with a
1217 secondary guarantee issued after the operative date of the
1218 valuation manual meets the definition of a nonmaterial
1219 secondary guarantee universal life product as defined in the
1220 valuation manual.

1221 (2) For purposes of subdivision (1) of this
1222 subsection, ordinary life premiums are measured as direct
1223 premium plus reinsurance assumed from an unaffiliated
1224 company, as reported in the prior calendar year annual
1225 statement.

1226 (3) A domestic company meeting all of the above
1227 conditions may file a statement prior to July first with the
1228 director certifying that these conditions are met for the
1229 current calendar year based on premiums and other values
1230 from the prior calendar year financial statements. The
1231 director may reject such statement prior to September first
1232 and require a company to comply with the valuation manual
1233 requirements for life insurance reserves.]

379.011. 1. As used in this section, the following
2 terms mean:

3 (1) "Delivered by electronic means", includes delivery
4 to an electronic mail address at which a party has consented
5 to receive notices or documents, or posting on an electronic
6 network or site accessible via the internet, mobile

7 application, computer, mobile device, tablet, or any other
8 electronic device, together with a separate notice to a
9 party directed to the electronic mail address at which the
10 party has consented to receive notice of the posting;

11 (2) "Party", any recipient of any notice or document
12 required as part of an insurance transaction, including but
13 not limited to an applicant, an insured or a policyholder.

14 2. Subject to subsection 3 of this section, any notice
15 to a party or any other document required under applicable
16 law in an insurance transaction or that is to serve as
17 evidence of insurance coverage may be delivered, stored, and
18 presented by electronic means so long as it meets the
19 requirements of sections 432.200 to 432.295. Delivery of a
20 notice or document in accordance with this subsection shall
21 be considered equivalent to any delivery method required
22 under applicable law, including delivery by first class
23 mail, first class mail postage prepaid, certified mail, or
24 certificate of mailing.

25 3. A notice or document may be delivered by electronic
26 means by an insurer to a party under this **[subsection]**
27 **section** if:

28 (1) The party has affirmatively consented to that
29 method of delivery and has not withdrawn the consent;

30 (2) The party, before giving consent, is provided with
31 a clear and conspicuous statement informing the party of:

32 (a) Any right or option to have the notice or document
33 provided in paper or another nonelectronic form at no
34 additional cost;

35 (b) The right of **the** party to withdraw consent to have
36 a notice or document delivered by electronic means;

37 (c) Whether the party's consent applies only to the
38 particular transaction as to which the notice or document

39 must be given or to identified categories of notices or
40 documents that may be delivered by electronic means during
41 the course of the parties' relationship;

42 (d) The means, after consent is given, by which a
43 party may obtain a paper copy of a notice or document
44 delivered by electronic means at no additional cost; and

45 (e) The procedure a party must follow to withdraw
46 consent to have a notice or document delivered by electronic
47 means and to update information needed to contact the party
48 electronically;

49 (3) The party, before giving consent, is provided with
50 a statement of the hardware and software requirements for
51 access to and retention of a notice or document delivered by
52 electronic means and consents electronically, and confirms
53 consent electronically, in a manner that reasonably
54 demonstrates that the party can access information in the
55 electronic form that will be used for notices or documents
56 delivered by electronic means as to which the party has
57 given consent; and

58 (4) After consent of the party is given, the insurer,
59 in the event a change in the hardware or software
60 requirements needed to access or retain a notice or document
61 delivered in electronic means creates a material risk that
62 the party will not be able to access or retain a subsequent
63 notice or document to which the consent applies:

64 (a) Provides the party with a statement of the revised
65 hardware and software requirements for access to and
66 retention of a notice or document delivered by electronic
67 means and of the right of the party to withdraw consent
68 pursuant to paragraph (b) of subdivision (2) of this
69 subsection; and

70 (b) Complies with subdivision (2) of this subsection.

71 4. Notwithstanding any other provisions of this
72 section, if a policy of insurance is purchased directly
73 through an insurer's website, portal, or application, and is
74 initially delivered by electronic means, a party's consent
75 to have all future notices and documents related to the
76 policy, or claims thereunder, delivered by electronic means
77 shall be presumed. Nothing in this subsection shall affect
78 the right of a party under this section to withdraw its
79 consent to have a notice or document delivered by electronic
80 means.

81 5. This section does not affect requirements relating
82 to content or timing of any notice or document required
83 under applicable law. If any provision of applicable law
84 requiring a notice or document to be provided to a party
85 expressly requires verification or acknowledgment of receipt
86 of the notice or document, the notice or document may be
87 delivered by electronic means only if the method used
88 provides for verification or acknowledgment of receipt.
89 Absent verification or acknowledgment of receipt of the
90 initial notice or document on the part of the party, the
91 insurer shall send two subsequent notices or documents at
92 intervals of five business days. The legal effectiveness,
93 validity, or enforceability of any contract or policy of
94 insurance executed by a party may not be made contingent
95 upon obtaining electronic consent or confirmation of consent
96 of the party in accordance with subdivision (3) of
97 subsection 3 of this section.

98 [5.] 6. A withdrawal of consent by a party does not
99 affect the legal effectiveness, validity, or enforceability
100 of a notice or document delivered by electronic means to the
101 party before the withdrawal of consent is effective. A
102 withdrawal of consent by a party is effective within thirty

103 days after receipt of the withdrawal by the insurer.
104 Failure by an insurer to comply with subdivision (4) of
105 subsection 3 of this section may be treated, at the election
106 of the party, as a withdrawal of consent for purposes of
107 this section.

108 [6.] 7. This section does not apply to a notice or
109 document delivered by an insurer in an electronic form
110 before August 28, 2013, to a party who, before that date,
111 has consented to receive notices or documents in an
112 electronic form otherwise allowed by law. If the consent of
113 a party to receive certain notices or documents in an
114 electronic form is on file with an insurer before August 28,
115 2013, and pursuant to this section, an insurer intends to
116 deliver additional notices or documents to such party in an
117 electronic form, then prior to delivering such additional
118 notices or documents electronically, the insurer shall
119 notify the party of:

120 (1) The notices or documents that may be delivered by
121 electronic means under this section that were not previously
122 delivered electronically; and

123 (2) The party's right to withdraw consent to have
124 notices or documents delivered by electronic means.

125 [7.] 8. A party who does not consent to delivery of
126 notices or documents under subsection 3 of this section, or
127 who withdraws their consent, shall not be subject to any
128 additional fees or costs for having notices or documents
129 provided or made available to them in paper or another
130 nonelectronic form.

131 [8.] 9. If any provision of applicable law requires a
132 signature or notice or document to be notarized,
133 acknowledged, verified, or made under oath, the requirement
134 is satisfied if the electronic signature of the person

135 authorized to perform those acts, together with all other
136 information required to be included by the provision, is
137 attached to or logically associated with the signature,
138 notice, or document.

139 [9.] 10. This section may not be construed to modify,
140 limit, or supercede the provisions of sections 354.442,
141 376.1450, or 432.200 to 432.295. The provisions of this
142 section shall apply to notices and documents issued by
143 insurers organized under this chapter or chapter 380 and to
144 notices and documents relating to life insurance products
145 issued by insurers organized under chapter 376.

146 [10.] 11. Nothing in this section shall prevent an
147 insurer from offering a discount to an insured who elects to
148 receive notices and documents electronically in accordance
149 with this section.

Section B. The repeal and reenactment of section
2 288.132 and the enactment of section 288.133 shall become
3 effective January 1, 2023.

Section C. The repeal and reenactment of sections
2 303.025 and 303.041 shall take effect on January 1, 2024.

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