

FIRST REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
HOUSE COMMITTEE SUBSTITUTE FOR  
SENATE SUBSTITUTE FOR  
**SENATE BILL NO. 6**

101ST GENERAL ASSEMBLY  
2021

0932H.05T

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**AN ACT**

To repeal sections 303.220, 304.153, 319.131, 375.018, 375.246, 376.421, 379.120, 382.010, 382.110, 382.230, 384.043, 385.220, and 385.320, RSMo, and to enact in lieu thereof twenty-eight new sections relating to insurance, with existing penalty provisions.

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

Section A. Sections 303.220, 304.153, 319.131, 375.018,  
2 375.246, 376.421, 379.120, 382.010, 382.110, 382.230, 384.043,  
3 385.220, and 385.320, RSMo, are repealed and twenty-eight new  
4 sections enacted in lieu thereof, to be known as sections  
5 41.201, 303.220, 304.153, 319.131, 375.018, 375.029, 375.246,  
6 376.421, 376.2080, 379.120, 379.1800, 379.1803, 379.1806,  
7 379.1809, 379.1812, 379.1815, 379.1818, 379.1821, 379.1824,  
8 382.010, 382.110, 382.176, 382.177, 382.230, 384.043, 385.220,  
9 385.320, and 385.450, to read as follows:

**41.201. Members of the Missouri National Guard shall  
2 be considered state employees for the purpose of operating  
3 state-owned vehicles for official state business, unless  
4 such members are called into active federal military service  
5 by order of the President under Title 10 of the United  
6 States Code.**

303.220. 1. Any religious denomination which has more  
2 than twenty-five members with motor vehicles and [prohibits]

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

3 **discourages** its members from purchasing insurance, of any  
4 form, as being contrary to its religious tenets, may qualify  
5 as a self-insurer by obtaining a self-insurance certificate  
6 issued by the director as provided in subsection 3 of this  
7 section.

8 2. Any person in whose name more than twenty-five  
9 motor vehicles are registered may qualify as a self-insurer  
10 by obtaining a certificate of self-insurance issued by the  
11 director as provided in subsection 3 of this section.

12 3. The director may, in his discretion, upon the  
13 application of any religious denomination or person  
14 described in subsection 1 or 2 of this section, issue a  
15 certificate of self-insurance when he is satisfied that such  
16 religious denomination or person is possessed and will  
17 continue to be possessed of the ability to pay judgments  
18 obtained against such religious denomination or person.

19 4. Upon not less than ten days' notice and a hearing  
20 pursuant to such notice, the director may, upon reasonable  
21 grounds, cancel a certificate of self-insurance. Failure to  
22 pay any judgment within thirty days after such judgment  
23 shall have become final shall constitute a reasonable ground  
24 for the cancellation of a certificate of self-insurance.

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

3 (1) "Law enforcement officer", any public servant,  
4 other than a patrol officer, who is defined as a law  
5 enforcement officer under section 556.061;

6 (2) "Motor club", [an organization which motor vehicle  
7 drivers and owners may join that provide certain benefits  
8 relating to driving a motor vehicle] **a legal entity that, in**  
9 **consideration of dues, assessments, or periodic payments of**

10 **moneys, promises to provide motor club services to its**  
11 **members or subscribers in accordance with section 385.450;**

12 (3) "Patrol officer", a Missouri state highway patrol  
13 officer;

14 (4) "Tow list", a list of approved towing companies  
15 compiled, maintained, and utilized by the Missouri state  
16 highway patrol or its designee;

17 (5) "Tow management company", any sole proprietorship,  
18 partnership, corporation, fiduciary, association, or other  
19 business entity that manages towing logistics for government  
20 agencies or motor clubs;

21 (6) "Tow truck", a rollback or car carrier, wrecker,  
22 or tow truck as defined under section 301.010;

23 (7) "Towing", moving or removing, or the preparation  
24 therefor, of a vehicle by another vehicle for which a  
25 service charge is made, either directly or indirectly,  
26 including any dues or other charges of clubs or associations  
27 which provide towing services;

28 (8) "Towing company", any person, partnership,  
29 corporation, fiduciary, association, or other entity that  
30 operates a wrecker or towing service as defined under  
31 section 301.010.

32 2. In authorizing a towing company to perform  
33 services, any patrol officer or law enforcement officer  
34 within the officer's jurisdiction, or Missouri department of  
35 transportation employee, may utilize the services of a tow  
36 management company or tow list, provided:

37 (1) The Missouri state highway patrol is under no  
38 obligation to include or retain the services of any towing  
39 company in any contract or agreement with a tow management  
40 company or any tow list established pursuant to this

41 section. A towing company is subject to removal from a tow  
42 list at any time;

43 (2) Notwithstanding any other provision of law or any  
44 regulation established pursuant to this section, an owner or  
45 operator's request for a specific towing company shall be  
46 honored by the Missouri state highway patrol unless:

47 (a) The requested towing company cannot or does not  
48 respond in a reasonable time, as determined by a law  
49 enforcement officer; or

50 (b) The vehicle to be towed poses an immediate traffic  
51 hazard, as determined by a law enforcement officer.

52 3. A patrol officer shall not use a towing company  
53 located outside of Missouri under this section except under  
54 the following circumstances:

55 (1) A state or federal emergency has been declared; or

56 (2) The driver or owner of the vehicle, or a motor  
57 club of which the driver or owner is a member, requests a  
58 specific out-of-state towing company.

59 4. A towing company shall not tow a vehicle to a  
60 location outside of Missouri without the consent of the  
61 driver or owner of the motor vehicle, or without the consent  
62 of a motor club of which the driver or owner of the motor  
63 vehicle is a member.

64 5. Any towing company or tow truck arriving at the  
65 scene of an accident that has not been called by a patrol  
66 officer, a law enforcement officer, a Missouri department of  
67 transportation employee, the driver or owner of the motor  
68 vehicle or his or her authorized agent, including a motor  
69 club of which the driver or owner is a member, shall be  
70 prohibited from towing the vehicle from the scene of the  
71 accident, unless the towing company or tow truck operator is  
72 rendering emergency aid in the interest of public safety, or

73 is operating during a declared state of emergency under  
74 section 44.100.

75         6. A tow truck operator that stops and tows a vehicle  
76 from the scene of an accident in violation of subsection 5  
77 of this section shall be guilty of a class D misdemeanor  
78 upon conviction or pleading guilty for the first violation,  
79 and such tow truck shall be subject to impounding. The  
80 penalty for a second violation shall be a class A  
81 misdemeanor, and the penalty for any third or subsequent  
82 violation shall be a class D felony. A violation of this  
83 section shall not preclude the tow truck operator from being  
84 charged with tampering under chapter 569.

85         7. The provisions of this section shall also apply to  
86 motor vehicles towed under section 304.155 or 304.157.

87         8. The provisions of this section shall not apply to  
88 counties of the third or fourth classification.

319.131. 1. Any owner or operator of one or more  
2 petroleum storage tanks may elect to participate in the  
3 petroleum storage tank insurance fund to meet the financial  
4 responsibility requirements of sections 319.114 and 414.036.  
5 Subject to regulations of the board of trustees, owners or  
6 operators may elect to continue their participation in the  
7 fund subsequent to the transfer of their property to another  
8 party. Current or former refinery sites or petroleum  
9 pipeline or marine terminals are not eligible for  
10 participation in the fund.

11         2. The board shall establish an advisory committee  
12 which shall be composed of insurers, owners and operators of  
13 petroleum storage tanks, and other interested parties. The  
14 advisory committee established pursuant to this subsection  
15 shall report to the board. The committee shall monitor the  
16 fund and recommend statutory and administrative changes as

17 may be necessary to assure efficient operation of the fund.  
18 The committee, in consultation with the board and the  
19 department of commerce and insurance, shall report every two  
20 years to the general assembly on the availability and  
21 affordability of the private insurance market as a viable  
22 method of meeting the financial responsibilities required by  
23 state and federal law in lieu of the petroleum storage tank  
24 insurance fund.

25       3. (1) Except as otherwise provided by this section,  
26 any person seeking to participate in the insurance fund  
27 shall submit an application to the board of trustees and  
28 shall certify that the petroleum tanks meet or exceed and  
29 are in compliance with all technical standards established  
30 by the United States Environmental Protection Agency, except  
31 those standards and regulations pertaining to spill  
32 prevention control and counter-measure plans, and rules  
33 established by the Missouri department of natural resources  
34 and the Missouri department of agriculture. The applicant  
35 shall submit proof that the applicant has a reasonable  
36 assurance of the tank's integrity. Proof of tank integrity  
37 may include but not be limited to any one of the following:  
38 tank tightness test, electronic leak detection, monitoring  
39 wells, daily inventory reconciliation, vapor test or any  
40 other test that may be approved by the director of the  
41 department of natural resources or the director of the  
42 department of agriculture. The applicant shall submit  
43 evidence that the applicant can meet all applicable  
44 financial responsibility requirements of this section.

45       (2) A creditor, specifically a person who, without  
46 participating in and not otherwise primarily engaged in  
47 petroleum production, refining, and marketing, holds indicia  
48 of ownership primarily for the purpose of, or in connection

49 with, securing payment or performance of a loan or to  
50 protect a security interest in or lien on the tank or the  
51 property where the tank is located, or serves as trustee or  
52 fiduciary upon transfer or receipt of the property, may be a  
53 successor in interest to a debtor pursuant to this section,  
54 provided that the creditor gives notice of the interest to  
55 the insurance fund by certified mail, return receipt  
56 requested. Part of such notice shall include a copy of the  
57 lien, including but not limited to a security agreement or a  
58 deed of trust as appropriate to the property. The term  
59 "successor in interest" as provided in this section means a  
60 creditor to the debtor who had qualified real property in  
61 the insurance fund prior to the transfer of title to the  
62 creditor, and the term is limited to access to the insurance  
63 fund. The creditor may cure any of the debtor's defaults in  
64 payments required by the insurance fund, provided the  
65 specific real property originally qualified pursuant to this  
66 section. The creditor, or the creditor's subsidiary or  
67 affiliate, who forecloses or otherwise obtains legal title  
68 to such specific real property held as collateral for loans,  
69 guarantees or other credit, and which includes the debtor's  
70 aboveground storage tanks or underground storage tanks, or  
71 both such tanks shall provide notice to the fund of any  
72 transfer of creditor to subsidiary or affiliate. Liability  
73 pursuant to sections 319.100 to 319.137 shall be confined to  
74 such creditor or such creditor's subsidiary or affiliate. A  
75 creditor shall apply for a transfer of coverage and shall  
76 present evidence indicating a lien, contractual right, or  
77 operation of law permitting such transfer, and may utilize  
78 the creditor's affiliate or subsidiary to hold legal title  
79 to the specific real property taken in satisfaction of  
80 debts. Creditors may be listed as insured or additional

81 insured on the insurance fund, and not merely as mortgagees,  
82 and may assign or otherwise transfer the debtor's rights in  
83 the insurance fund to the creditor's affiliate or  
84 subsidiary, notwithstanding any limitations in the insurance  
85 fund on assignments or transfer of the debtor's rights.

86 (3) Any person participating in the fund shall  
87 annually submit an amount established pursuant to subsection  
88 1 of section 319.133 which shall be deposited to the credit  
89 of the petroleum storage tank insurance fund.

90 4. Any person making a claim pursuant to this section  
91 and sections 319.129 and 319.133 shall be liable for the  
92 first ten thousand dollars of the cost of cleanup associated  
93 with a release from a petroleum storage tank without  
94 reimbursement from the fund. The petroleum storage tank  
95 insurance fund shall assume all costs, except as provided in  
96 subsection 5 of this section, which are greater than ten  
97 thousand dollars but less than one million dollars per  
98 occurrence or two million dollars aggregate per year. The  
99 liability of the petroleum storage tank insurance fund is  
100 not the liability of the state of Missouri. The provisions  
101 of sections 319.100 to 319.137 shall not be construed to  
102 broaden the liability of the state of Missouri beyond the  
103 provisions of sections 537.600 to 537.610 nor to abolish or  
104 waive any defense which might otherwise be available to the  
105 state or to any person. The presence of existing  
106 contamination at a site where a person is seeking insurance  
107 in accordance with this section shall not affect that  
108 person's ability to participate in this program, provided  
109 the person meets all other requirements of this section.  
110 Any person who qualifies pursuant to sections 319.100 to  
111 319.137 and who has requested approval of a project for  
112 remediation from the fund, which request has not yet been



113 decided upon shall annually be sent a status report  
114 including an estimate of when the project may expect to be  
115 funded and other pertinent information regarding the request.

116 5. The fund shall provide coverage for third-party  
117 claims involving property damage or bodily injury caused by  
118 leaking petroleum storage tanks whose owner or operator is  
119 participating in the fund at the time the release occurs or  
120 is discovered. Coverage for third-party property damage or  
121 bodily injury shall be in addition to the coverage described  
122 in subsection 4 of this section but the total liability of  
123 the petroleum storage tank insurance fund for all cleanup  
124 costs, property damage, and bodily injury shall not exceed  
125 one million dollars per occurrence or two million dollars  
126 aggregate per year. The fund shall not compensate an owner  
127 or operator for repair of damages to property beyond that  
128 required to contain and clean up a release of a regulated  
129 substance or compensate an owner or operator or any third  
130 party for loss or damage to other property owned or  
131 belonging to the owner or operator, or for any loss or  
132 damage of an intangible nature, including, but not limited  
133 to, loss or interruption of business, pain and suffering of  
134 any person, lost income, mental distress, loss of use of any  
135 benefit, or punitive damages.

136 6. [The fund shall, within limits specified in this  
137 section, assume costs of third-party claims and cleanup of  
138 contamination caused by releases from petroleum storage  
139 tanks.] **In addition to other coverage limits in this**  
140 **section,** the fund shall provide the defense of eligible  
141 third-party claims including the negotiations of any  
142 settlement **and may specify a legal defense cost coverage**  
143 **limit.**

144           7. Nothing contained in sections 319.100 to 319.137  
145 shall be construed to abrogate or limit any right, remedy,  
146 causes of action, or claim by any person sustaining personal  
147 injury or property damage as a result of any release from  
148 any type of petroleum storage tank, nor shall anything  
149 contained in sections 319.100 to 319.137 be construed to  
150 abrogate or limit any liability of any person in any way  
151 responsible for any release from a petroleum storage tank or  
152 any damages for personal injury or property damages caused  
153 by such a release.

154           8. (1) The fund shall provide moneys for cleanup of  
155 contamination caused by releases from petroleum storage  
156 tanks, the owner or operator of which is participating in  
157 the fund or the owner or operator of which has made  
158 application for participation in the fund by December 31,  
159 1997, regardless of when such release occurred, provided  
160 that those persons who have made application are ultimately  
161 accepted into the fund. Applicants shall not be eligible  
162 for fund benefits until they are accepted into the fund.  
163 This section shall not preclude the owner or operator of  
164 petroleum storage tanks coming into service after December  
165 31, 1997, from making application to and participating in  
166 the petroleum storage tank insurance fund.

167           (2) Notwithstanding the provisions of section 319.100  
168 and the provisions of subdivision (1) of this section, the  
169 fund shall provide moneys for cleanup of contamination  
170 caused by releases from petroleum storage tanks owned by  
171 school districts all or part of which are located in a  
172 county of the third classification without a township form  
173 of government and having a population of more than ten  
174 thousand seven hundred but less than eleven thousand  
175 inhabitants, and which make application for participation in

176 the fund by August 28, 1999, regardless of when such release  
177 occurred. Applicants shall not be eligible for fund  
178 benefits until they are accepted into the fund, and costs  
179 incurred prior to that date shall not be eligible expenses.

180 9. (1) The fund shall provide moneys for cleanup of  
181 contamination caused by releases from underground storage  
182 tanks which contained petroleum and which have been taken  
183 out of use prior to December 31, 1997, provided such sites  
184 have been documented by or reported to the department of  
185 natural resources prior to December 31, 1997, and provided  
186 further that the fund shall make no reimbursements for  
187 expenses incurred prior to August 28, 1995. The fund shall  
188 also provide moneys for cleanup of contamination caused by  
189 releases from underground storage tanks which contained  
190 petroleum and which have been taken out of use prior to  
191 December 31, 1985, if the current owner of the real property  
192 where the tanks are located purchased such property before  
193 December 31, 1985, provided such sites are reported to the  
194 fund on or before June 30, 2000. The fund shall make no  
195 payment for expenses incurred at such sites prior to August  
196 28, 1999. Nothing in sections 319.100 to 319.137 shall  
197 affect the validity of any underground storage tank fund  
198 insurance policy in effect on August 28, 1996.

199 (2) An owner or operator who submits a request as  
200 provided in this subsection is not required to bid the costs  
201 and expenses associated with professional environmental  
202 engineering services. The board may disapprove all or part  
203 of the costs and expenses associated with the environmental  
204 engineering services if the costs are excessive based upon  
205 comparable service costs or current market value of similar  
206 services. The owner or operator shall solicit bids for

207 actual remediation and cleanup work as provided by rules of  
208 the board.

209 (3) After December 31, 2017, the current legal owner  
210 of the site shall be the responsible party for corrective  
211 action, pursuant to section 319.109, of any releases from  
212 underground storage tanks described in this subsection,  
213 provided the creditor, who is a successor in interest as  
214 provided in subdivision (2) of subsection 3 of this section,  
215 is subject to no greater or lesser responsibility for  
216 corrective action than such successor in interest would have  
217 on or before December 31, 2017. Nothing in this subdivision  
218 shall in any way be construed to alter, alleviate, or modify  
219 in any manner any liabilities that the fund has to pay for  
220 in cleaning up the site.

221 10. (1) The fund shall provide moneys for cleanup of  
222 contamination caused by releases from aboveground storage  
223 tanks utilized for the sale of products regulated by chapter  
224 414 which have been taken out of use prior to December 31,  
225 1997, provided such sites have been documented by or  
226 reported to the department of natural resources prior to  
227 December 31, 1997, and provided further that the fund shall  
228 make no reimbursements for expenses incurred prior to July  
229 1, 1997.

230 (2) After December 31, 2017, the current legal owner  
231 of the site shall be the responsible party for corrective  
232 action of any releases from aboveground storage tanks  
233 described in this subsection, provided the creditor, who is  
234 a successor in interest as provided in subdivision (2) of  
235 subsection 3 of this section, is subject to no greater or  
236 lesser responsibility for corrective action than such  
237 successor in interest would have on or before December 31,  
238 2017. Nothing in this subdivision shall in any way be

239 construed to alter, alleviate, or modify in any manner any  
240 liabilities that the fund has to pay for in cleaning up the  
241 site.

375.018. 1. Unless denied licensure pursuant to  
2 section 375.141, persons who have met the requirements of  
3 sections 375.014, 375.015 and 375.016 shall be issued an  
4 insurance producer license for a term of two years. An  
5 insurance producer may qualify for a license in one or more  
6 of the following lines of authority:

7 (1) Life insurance coverage on human lives including  
8 benefits of endowment and annuities, and may include  
9 benefits in the event of death or dismemberment by accident  
10 and benefits for disability income;

11 (2) Accident and health or sickness insurance coverage  
12 for sickness, bodily injury or accidental death and may  
13 include benefits for disability income;

14 (3) Property insurance coverage for the direct or  
15 consequential loss or damage to property of every kind;

16 (4) Casualty insurance coverage against legal  
17 liability, including that for death, injury or disability or  
18 damage to real or personal property;

19 (5) Variable life and variable annuity products  
20 insurance coverage provided under variable life insurance  
21 contracts and variable annuities;

22 (6) Personal lines property and casualty insurance  
23 coverage sold to individuals and families for primarily  
24 noncommercial purposes;

25 (7) Credit-limited line credit insurance;

26 (8) Any other line of insurance permitted under state  
27 laws or regulations.

28 2. Any insurance producer who is certified by the  
29 Federal Crop Insurance Corporation on September 28, 1995, to

30 write federal crop insurance shall not be required to have a  
31 property license for the purpose of writing federal crop  
32 insurance.

33         3. The biennial renewal fee for a producer's license  
34 is one hundred dollars for each license. A producer's  
35 license shall be renewed biennially on the [anniversary]  
36 **birth** date of [issuance] **the producer** and continue in effect  
37 until refused, revoked, or suspended by the director in  
38 accordance with section 375.141.

39         4. An individual insurance producer who allows his or  
40 her license to expire may, within twelve months from the due  
41 date of the renewal fee, reinstate the same license without  
42 the necessity of passing a written examination. The  
43 insurance producer seeking relicensing pursuant to this  
44 subsection shall provide proof that the continuing education  
45 requirements have been met and shall pay a penalty of twenty-  
46 five dollars per month that the license was expired in  
47 addition to the requisite renewal fees that would have been  
48 paid had the license been renewed in a timely manner.  
49 Nothing in this subsection shall require the director to  
50 relicense any insurance producer determined to have violated  
51 the provisions of section 375.141.

52         5. A business entity insurance producer that allows  
53 the license to expire may, within twelve months of the due  
54 date of the renewal, reinstate the license by paying the  
55 license fee that would have been paid had the license been  
56 renewed in a timely manner plus a penalty of twenty-five  
57 dollars per month that the license was expired.

58         6. The license shall contain the name, address,  
59 identification number of the insurance producer, the date of  
60 issuance, the lines of authority, the expiration date and  
61 any other information the director deems necessary.

62           7. Insurance producers shall inform the director by  
63 any means acceptable to the director of a change of address  
64 within thirty days of the change. Failure to timely inform  
65 the director of a change in legal name or address may result  
66 in a forfeiture not to exceed the sum of ten dollars per  
67 month.

68           8. In order to assist the director in the performance  
69 of his or her duties, the director may contract with  
70 nongovernmental entities, including the National Association  
71 of Insurance Commissioners or any affiliates or subsidiaries  
72 that the organization oversees or through any other method  
73 the director deems appropriate, to perform any ministerial  
74 functions, including the collection of fees, related to  
75 producer licensing that the director may deem appropriate.

76           9. Any bank or trust company in the sale or issuance  
77 of insurance products or services shall be subject to the  
78 insurance laws of this state and rules adopted by the  
79 department of commerce and insurance.

80           10. A licensed insurance producer who is unable to  
81 comply with license renewal procedures due to military  
82 service or some other extenuating circumstance, such as a  
83 long-term medical disability, may request a waiver of those  
84 procedures. The producer may also request a waiver of any  
85 other fine or sanction imposed for failure to comply with  
86 renewal procedures.

87           **11. The director may promulgate rules using the**  
88 **authority granted under section 375.045 to assist in the**  
89 **implementation of this section, including prorating**  
90 **licensure periods so that all renewals after January 1,**  
91 **2022, shall occur biennially on a licensee's birth date.**

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

3           (1) "Director", the director of the department of  
4 commerce and insurance;

5           (2) "Insurance producer", a person required to be  
6 licensed under the laws of this state to sell, solicit, or  
7 negotiate insurance.

8           2. (1) Subject to approval by the director, an  
9 insurance producer's active participation as an individual  
10 member or employee of a business entity producer member of a  
11 local, regional, state, or national professional insurance  
12 association may be approved for up to four hours of  
13 continuing education credit per each biennial reporting  
14 period.

15           (2) An insurance producer shall not use continuing  
16 education credit granted under this section to satisfy  
17 continuing education hours required to be completed in a  
18 classroom or classroom-equivalent setting or to satisfy any  
19 continuing education ethics requirements.

20           (3) The continuing education hours referenced in  
21 subdivision (1) of subsection 2 of this section shall be  
22 credited upon the timely filing with the director by the  
23 insurance producer of an appropriate written statement in a  
24 form acceptable to the director or by a certification from  
25 the local, regional, state, or national professional  
26 insurance association through written form or electronic  
27 filing acceptable to the director.

28           3. The director may promulgate all necessary rules and  
29 regulations for the administration of this section. Any  
30 rule or portion of a rule, as that term is defined in  
31 section 536.010, that is created under the authority  
32 delegated in this section shall become effective only if it  
33 complies with and is subject to all of the provisions of  
34 chapter 536 and, if applicable, section 536.028. This



35 section and chapter 536 are nonseverable, and if any of the  
36 powers vested with the general assembly pursuant to chapter  
37 536 to review, to delay the effective date, or to disapprove  
38 and annul a rule are subsequently held unconstitutional,  
39 then the grant of rulemaking authority and any rule proposed  
40 or adopted after August 28, 2021, shall be invalid and void.

375.246. 1. Credit for reinsurance shall be allowed a  
2 domestic ceding insurer as either an asset or a reduction  
3 from liability on account of reinsurance ceded only when the  
4 reinsurer meets the requirements of subdivisions (1) [to] ,  
5 (2), (3), (4), (5), (6), or (7) of this subsection; **provided**  
6 **further, that the director may adopt by rule under**  
7 **subdivision (2) of subsection 4 of this section specific**  
8 **additional requirements relating to or setting forth the**  
9 **valuation of assets or reserve credits, the amount and forms**  
10 **of security supporting reinsurance arrangements described in**  
11 **subdivision (2) of subsection 4 of this section, or the**  
12 **circumstances under which credit will be reduced or**  
13 **eliminated.** Credit shall be allowed pursuant to subdivision  
14 (1), (2) or (3) of this subsection only as respects cessions  
15 of those kinds or classes of business which the assuming  
16 insurer is licensed or otherwise permitted to write or  
17 assume in its state of domicile or, in the case of a United  
18 States branch of an alien assuming insurer, in the state  
19 through which it is entered and licensed to transact  
20 insurance or reinsurance. Credit shall be allowed pursuant  
21 to subdivision (3), (4), or (5) of this subsection only if  
22 the applicable requirements of subdivision [(7)] **(8)** have  
23 been satisfied.

24 (1) Credit shall be allowed when the reinsurance is  
25 ceded to an assuming insurer that is licensed to transact  
26 insurance in this state;

27           (2) Credit shall be allowed when the reinsurance is  
28 ceded to an assuming insurer that is accredited by the  
29 director as a reinsurer in this state. In order to be  
30 eligible for accreditation, a reinsurer shall:

31           (a) File with the director evidence of its submission  
32 to this state's jurisdiction;

33           (b) Submit to the authority of the department of  
34 commerce and insurance to examine its books and records;

35           (c) Be licensed to transact insurance or reinsurance  
36 in at least one state, or in the case of a United States  
37 branch of an alien assuming insurer is entered through and  
38 licensed to transact insurance or reinsurance in at least  
39 one state;

40           (d) File annually with the director a copy of its  
41 annual statement filed with the insurance department of its  
42 state of domicile and a copy of its most recent audited  
43 financial statement; and

44           (e) Demonstrate to the satisfaction of the director  
45 that it has adequate financial capacity to meet its  
46 reinsurance obligations and is otherwise qualified to assume  
47 reinsurance from domestic insurers. An assuming insurer is  
48 deemed to meet such requirement as of the time of its  
49 application if it maintains a surplus regarding  
50 policyholders in an amount not less than twenty million  
51 dollars and its accreditation has not been denied by the  
52 director within ninety days after submission of its  
53 application;

54           (3) Credit shall be allowed when the reinsurance is  
55 ceded to an assuming insurer that is domiciled in, or in the  
56 case of a United States branch of an alien assuming insurer  
57 is entered through, a state that employs standards regarding  
58 credit for reinsurance substantially similar to those

59 applicable under this statute and the assuming insurer or  
60 United States branch of an alien assuming insurer:

61 (a) Maintains a surplus as regards policyholders in an  
62 amount not less than twenty million dollars; except that  
63 this paragraph does not apply to reinsurance ceded and  
64 assumed pursuant to pooling arrangements among insurers in  
65 the same holding company system; and

66 (b) Submits to the authority of the department of  
67 commerce and insurance to examine its books and records;

68 (4) (a) Credit shall be allowed when the reinsurance  
69 is ceded to an assuming insurer that maintains a trust fund  
70 in a qualified United States financial institution, as  
71 defined in subdivision (2) of subsection 3 of this section,  
72 for the payment of the valid claims of its United States  
73 ceding insurers, their assigns and successors in interest.  
74 To enable the director to determine the sufficiency of the  
75 trust fund, the assuming insurer shall report annually to  
76 the director information substantially the same as that  
77 required to be reported on the National Association of  
78 Insurance Commissioners' annual statement form by licensed  
79 insurers. The assuming insurer shall submit to examination  
80 of its books and records by the director.

81 (b) Credit for reinsurance shall not be granted  
82 pursuant to this subdivision unless the form of the trust  
83 and any amendments to the trust have been approved by:

84 a. The commissioner or director of the state agency  
85 regulating insurance in the state where the trust is  
86 domiciled; or

87 b. The commissioner or director of another state who,  
88 pursuant to the terms of the trust instrument, has accepted  
89 principal regulatory oversight of the trust.

90           (c) The form of the trust and any trust amendments  
91 shall also be filed with the commissioner or director in  
92 every state in which the ceding insurer beneficiaries of the  
93 trust are domiciled. The trust instrument shall provide  
94 that contested claims shall be valid and enforceable upon  
95 the final order of any court of competent jurisdiction in  
96 the United States. The trust shall vest legal title to its  
97 assets in its trustees for the benefit of the assuming  
98 insurer's United States ceding insurers, their assigns and  
99 successors in interest. The trust and the assuming insurer  
100 shall be subject to examination as determined by the  
101 director.

102           (d) The trust shall remain in effect for as long as  
103 the assuming insurer has outstanding obligations due under  
104 the reinsurance agreements subject to the trust. No later  
105 than February twenty-eighth of each year the trustees of the  
106 trust shall report to the director in writing the balance of  
107 the trust and listing the trust's investments at the  
108 preceding year end and shall certify the date of termination  
109 of the trust, if so planned, or certify that the trust will  
110 not expire prior to the next following December thirty-first.

111           (e) The following requirements apply to the following  
112 categories of assuming insurers:

113           a. The trust fund for a single assuming insurer shall  
114 consist of funds in trust in an amount not less than the  
115 assuming insurer's liabilities attributable to reinsurance  
116 ceded by the United States ceding insurers, and, in  
117 addition, the assuming insurer shall maintain a trusteed  
118 surplus of not less than twenty million dollars, except as  
119 provided in subparagraph b. of this paragraph;

120           b. At any time after the assuming insurer has  
121 permanently discontinued underwriting new business secured

122 by the trust for at least three full years, the director  
123 with principal regulator oversight of the trust may  
124 authorize a reduction in the required trusteed surplus, but  
125 only after a finding based on an assessment of risk that the  
126 new required surplus level is adequate for the protection of  
127 United States ceding insurers, policyholders, and claimants  
128 in light of reasonably foreseeable adverse loss development.

129 The risk assessment may involve an actuarial review,  
130 including an independent analysis of reserves and cash  
131 flows, and shall consider all material risk factors  
132 including, when applicable, the lines of business involved,  
133 the stability of the incurred loss estimates, and the effect  
134 of the surplus requirements on the assuming insurer's  
135 liquidity or solvency. The minimum required trusteed  
136 surplus shall not be reduced to an amount less than thirty  
137 percent of the assuming insurer's liabilities attributable  
138 to reinsurance ceded by United States ceding insurers  
139 covered by the trust;

140 c. In the case of a group of incorporated and  
141 individual unincorporated underwriters:

142 (i) For reinsurance ceded under reinsurance agreements  
143 with an inception, amendment or renewal date on or after  
144 January 1, 1993, the trust shall consist of a trusteed  
145 account in an amount not less than the respective  
146 underwriter's several liabilities attributable to business  
147 ceded by United States domiciled ceding insurers to any  
148 underwriter of the group;

149 (ii) For reinsurance ceded under reinsurance  
150 agreements with an inception date on or before December 31,  
151 1992, and not amended or renewed after that date,  
152 notwithstanding the other provisions of this section, the  
153 trust shall consist of a trustee account in an amount not

154 less than the respective underwriter's several insurance and  
155 reinsurance liabilities attributable to business in the  
156 United States; and

157 (iii) In addition to these trusts, the group shall  
158 maintain in trust a trusteed surplus of which one hundred  
159 million dollars shall be held jointly for the benefit of the  
160 United States domiciled ceding insurers of any member of the  
161 group for all years of account;

162 d. The incorporated members of the group shall not be  
163 engaged in any business other than underwriting as a member  
164 of the group and shall be subject to the same level of  
165 regulation and solvency control by the group's domiciliary  
166 regulator as are the unincorporated members;

167 e. Within ninety days after its financial statements  
168 are due to be filed with the group's domiciliary regulator,  
169 the group shall provide to the director an annual  
170 certification by the group's domiciliary regulator of the  
171 solvency of each underwriter member; or if a certification  
172 is unavailable, financial statements, prepared by  
173 independent public accountants, of each underwriter member  
174 of the group;

175 (5) (a) Credit shall be allowed when the reinsurance  
176 is ceded to an assuming insurer that has been certified by  
177 the director as a reinsurer in this state and secures its  
178 obligations in accordance with the requirements of this  
179 subdivision.

180 (b) In order to be eligible for certification, the  
181 assuming insurer shall meet the following requirements:

182 a. The assuming insurer shall be domiciled and  
183 licensed to transact insurance or reinsurance in a qualified  
184 jurisdiction, as determined by the director under paragraph  
185 (d) of this subdivision;

186           b. The assuming insurer shall maintain minimum capital  
187 and surplus, or its equivalent, in an amount to be  
188 determined by the director by rule;

189           c. The assuming insurer shall maintain financial  
190 strength ratings from two or more rating agencies deemed  
191 acceptable by the director by rule;

192           d. The assuming insurer shall agree to submit to the  
193 jurisdiction of this state, appoint the director as its  
194 agent for service of process in this state, and agree to  
195 provide security for one hundred percent of the assuming  
196 insurer's liabilities attributable to reinsurance ceded by  
197 United States ceding insurers if it resists enforcement of a  
198 final United States judgment;

199           e. The assuming insurer shall agree to meet applicable  
200 information filing requirements as determined by the  
201 director, both with respect to an initial application for  
202 certification and on an ongoing basis; and

203           f. The assuming insurer shall satisfy any other  
204 requirements for certification deemed relevant by the  
205 director.

206           (c) An association including incorporated and  
207 individual unincorporated underwriters may be a certified  
208 reinsurer. To be eligible for certification, in addition to  
209 satisfying requirements of paragraph (b) of this subdivision:

210           a. The association shall satisfy its minimum capital  
211 and surplus requirements through the capital and surplus  
212 equivalents (net of liabilities) of the association and its  
213 members, which shall include a joint central fund that may  
214 be applied to any unsatisfied obligation of the association  
215 or any of its members, in an amount determined by the  
216 director to provide adequate protection;

217           b. The incorporated members of the association shall  
218 not be engaged in any business other than underwriting as a  
219 member of the association and shall be subject to the same  
220 level of regulation and solvency control by the  
221 association's domiciliary regulator as are the  
222 unincorporated members; and

223           c. Within ninety days after its financial statements  
224 are due to be filed with the association's domiciliary  
225 regulator, the association shall provide to the director:

226           (i) An annual certification by the association's  
227 domiciliary regulator of the solvency of each underwriter  
228 member; or

229           (ii) If a certification is unavailable, financial  
230 statements prepared by independent public accountants of  
231 each underwriter member of the association.

232           (d) a. The director shall create and publish a list  
233 of qualified jurisdictions, under which an assuming insurer  
234 licensed and domiciled in such jurisdiction is eligible to  
235 be considered for certification by the director as a  
236 certified reinsurer.

237           b. To determine whether the domiciliary jurisdiction  
238 of a non-United States assuming insurer is eligible to be  
239 recognized as a qualified jurisdiction, the director shall  
240 evaluate the appropriateness and effectiveness of the  
241 reinsurance supervisory system of the jurisdiction, both  
242 initially and on an ongoing basis, and consider the rights,  
243 benefits, and extent of reciprocal recognition afforded by  
244 the non-United States jurisdiction to reinsurers licensed  
245 and domiciled in the United States. A qualified  
246 jurisdiction shall agree to share information and cooperate  
247 with the director with respect to all certified reinsurers  
248 domiciled within that jurisdiction. A jurisdiction shall



249 not be recognized as a qualified jurisdiction if the  
250 director has determined that the jurisdiction does not  
251 adequately and promptly enforce final United States  
252 judgments and arbitration awards. Additional factors may be  
253 considered at the discretion of the director.

254 c. The director may consider a list of qualified  
255 jurisdictions published by the National Association of  
256 Insurance Commissioners (NAIC) in determining qualified  
257 jurisdictions for the purposes of this section. If the  
258 director approves a jurisdiction as qualified that does not  
259 appear on the list of qualified jurisdictions, the director  
260 shall provide thoroughly documented justification in  
261 accordance with criteria to be developed by rule.

262 d. United States jurisdictions that meet the  
263 requirement for accreditation under the NAIC financial  
264 standards and accreditation program shall be recognized as  
265 qualified jurisdictions.

266 e. If a certified reinsurer's domiciliary jurisdiction  
267 ceases to be a qualified jurisdiction, the director has the  
268 discretion to suspend the reinsurer's certification  
269 indefinitely, in lieu of revocation.

270 (e) The director shall assign a rating to each  
271 certified reinsurer, giving due consideration to the  
272 financial strength ratings that have been assigned by rating  
273 agencies deemed acceptable to the director by rule. The  
274 director shall publish a list of all certified reinsurers  
275 and their ratings.

276 (f) a. A certified reinsurer shall secure obligations  
277 assumed from United States ceding insurers under this  
278 subdivision at a level consistent with its rating, as  
279 specified in regulations promulgated by the director.

280           b. For a domestic ceding insurer to qualify for full  
281 financial statement credit for reinsurance ceded to a  
282 certified reinsurer, the certified reinsurer shall maintain  
283 security in a form acceptable to the director and consistent  
284 with the provisions of this section or in a multibeneficiary  
285 trust in accordance with paragraph (e) of subdivision (4) of  
286 this subsection, except as otherwise provided in this  
287 subdivision.

288           c. If a certified reinsurer maintains a trust to fully  
289 secure its obligations under paragraph (d) of subdivision  
290 (4) of this subsection and chooses to secure its obligations  
291 incurred as a certified reinsurer in the form of a  
292 multibeneficiary trust, the certified reinsurer shall  
293 maintain separate trust accounts for its obligations  
294 incurred under reinsurance agreements issued or renewed as a  
295 certified reinsurer with reduced security as permitted by  
296 this subsection or comparable laws of other United States  
297 jurisdictions and for its obligations subject to paragraph  
298 (e) of subdivision (4) of this subsection. It shall be a  
299 condition to the grant of certification under this section  
300 that the certified reinsurer shall have bound itself, by the  
301 language of the trust and agreement with the director with  
302 principal regulatory oversight of each such trust account,  
303 to fund, upon termination of any such trust account, out of  
304 the remaining surplus of such trust any deficiency of any  
305 other such trust account.

306           d. The minimum trusteed surplus requirements provided  
307 in paragraph (e) of subdivision (4) of this subsection are  
308 not applicable with respect to a multibeneficiary trust  
309 maintained by a certified reinsurer for the purpose of  
310 securing obligations incurred under this paragraph, except

311 that such trust shall maintain a minimum trusteed surplus of  
312 ten million dollars.

313 e. With respect to obligations incurred by a certified  
314 reinsurer under this paragraph, if the security is  
315 insufficient, the director shall order the certified  
316 reinsurer to provide sufficient security for such incurred  
317 obligations within thirty days. If a certified reinsurer  
318 does not provide sufficient security for its obligations  
319 incurred under this subsection within thirty days of being  
320 ordered to do so by the director, the director has the  
321 discretion to allow credit in the amount of the required  
322 security for one year. Following this one-year period, the  
323 director shall impose reductions in allowable credit upon  
324 finding that there is a material risk that the certified  
325 reinsurer's obligations will not be paid in full when due.

326 f. (i) For purposes of this paragraph, a certified  
327 reinsurer whose certification has been terminated for any  
328 reason shall be treated as a certified reinsurer required to  
329 secure one hundred percent of its obligations.

330 (ii) As used in this subparagraph, the term  
331 "terminated" refers to revocation, suspension, voluntary  
332 surrender, and inactive status.

333 (iii) If the director continues to assign a higher  
334 rating as permitted by other provisions of this subdivision,  
335 this requirement does not apply to a certified reinsurer in  
336 inactive status or to a reinsurer whose certification has  
337 been suspended.

338 g. If an applicant for certification has been  
339 certified as a reinsurer in an NAIC-accredited jurisdiction,  
340 the director has the discretion to defer to that  
341 jurisdiction's certification and to the rating assigned by

342 that jurisdiction, and such assuming insurer shall be  
343 considered to be a certified reinsurer in this state.

344 h. A certified reinsurer that ceases to assume new  
345 business in this state may request to maintain its  
346 certification in inactive status in order to continue to  
347 qualify for a reduction in security for its in-force  
348 business. An inactive certified reinsurer shall continue to  
349 comply with all applicable requirements of this subsection,  
350 and the director shall assign a rating that takes into  
351 account, if relevant, the reasons why the reinsurer is not  
352 assuming new business.

353 (6) **Credit:**

354 (a) **Shall be allowed when the reinsurance is ceded to**  
355 **an assuming insurer meeting each of the conditions set forth**  
356 **below:**

357 a. **The assuming insurer shall have its head office or**  
358 **be domiciled in, as applicable, and be licensed in a**  
359 **reciprocal jurisdiction. A "reciprocal jurisdiction" is a**  
360 **jurisdiction that meets one of the following:**

361 (i) **A non-United States jurisdiction that is subject**  
362 **to an in-force covered agreement with the United States,**  
363 **each within its legal authority, or, in the case of a**  
364 **covered agreement between the United States and European**  
365 **Union, is a member state of the European Union. For**  
366 **purposes of this subdivision, a "covered agreement" is an**  
367 **agreement entered into pursuant to the Dodd-Frank Wall**  
368 **Street Reform and Consumer Protection Act, 31 U.S.C.**  
369 **Sections 313 and 314, that is currently in effect or in a**  
370 **period of provisional application and addresses the**  
371 **elimination, under specified conditions, of collateral**  
372 **requirements as a condition for entering into any**  
373 **reinsurance agreement with a ceding insurer domiciled in**

374 this state or for allowing the ceding insurer to recognize  
375 credit for reinsurance;

376 (ii) A United States jurisdiction that meets the  
377 requirements for accreditation under the NAIC financial  
378 standards and accreditation program; or

379 (iii) A qualified jurisdiction, as determined by the  
380 director pursuant to paragraph (d) of subdivision (5) of  
381 this subsection, that is not otherwise described in item (i)  
382 or (ii) of this subparagraph and that meets certain  
383 additional requirements, consistent with the terms and  
384 conditions of in-force covered agreements, as specified by  
385 the director by rule;

386 b. The assuming insurer shall have and maintain, on an  
387 ongoing basis, minimum capital and surplus, or its  
388 equivalent, calculated according to the methodology of its  
389 domiciliary jurisdiction, in an amount to be set forth by  
390 rule. If the assuming insurer is an association, including  
391 incorporated and individual unincorporated underwriters, it  
392 shall have and maintain, on an ongoing basis, minimum  
393 capital and surplus equivalents, net of liabilities,  
394 calculated according to the methodology applicable to its  
395 domiciliary jurisdiction, and a central fund containing a  
396 balance in amounts to be set forth by rule;

397 c. The assuming insurer shall have and maintain, on an  
398 ongoing basis, a minimum solvency or capital ratio, as  
399 applicable, that shall be set forth by rule. If the  
400 assuming insurer is an association, including incorporated  
401 and individual unincorporated underwriters, it shall have  
402 and maintain, on an ongoing basis, a minimum solvency or  
403 capital ratio in the reciprocal jurisdiction where the  
404 assuming insurer has its head office or is domiciled, as  
405 applicable, and is also licensed;

406           d. The assuming insurer shall agree and provide  
407 adequate assurance to the director, in a form specified by  
408 the director by rule, as follows:

409           (i) The assuming insurer shall provide prompt written  
410 notice and explanation to the director if it falls below the  
411 minimum requirements set forth in subparagraphs b or c of  
412 this paragraph or if any regulatory action is taken against  
413 it for serious noncompliance with applicable law;

414           (ii) The assuming insurer shall consent in writing to  
415 the jurisdiction of the courts of this state and to the  
416 appointment of the director as agent for service of process.

417           The director may require that consent for service of  
418 process be provided to the director and included in each  
419 reinsurance agreement. Nothing in this provision shall  
420 limit, or in any way alter, the capacity of parties to a  
421 reinsurance agreement to agree to alternative dispute  
422 resolution mechanisms, except to the extent such agreements  
423 are unenforceable under applicable insolvency or delinquency  
424 laws;

425           (iii) The assuming insurer shall consent in writing to  
426 pay all final judgments, wherever enforcement is sought,  
427 obtained by a ceding insurer or its legal successor, that  
428 has been declared enforceable in the jurisdiction where the  
429 judgment was obtained;

430           (iv) Each reinsurance agreement shall include a  
431 provision requiring the assuming insurer to provide security  
432 in an amount equal to one hundred percent of the assuming  
433 insurer's liabilities attributable to reinsurance ceded  
434 pursuant to that agreement if the assuming insurer resists  
435 enforcement of a final judgment that is enforceable under  
436 the law of the jurisdiction in which it was obtained or a  
437 properly enforceable arbitration award, whether obtained by

438 the ceding insurer or by its legal successor on behalf of  
439 its resolution estate; and

440 (v) The assuming insurer shall confirm that it is not  
441 presently participating in any solvent scheme of arrangement  
442 that involves this state's ceding insurers and agree to  
443 notify the ceding insurer and the director and to provide  
444 security in an amount equal to one hundred percent of the  
445 assuming insurer's liabilities to the ceding insurer, should  
446 the assuming insurer enter into such a solvent scheme of  
447 arrangement. Such security shall be in a form consistent  
448 with the provisions of subdivision (5) of this subsection  
449 and subsection 2 of this section and as specified by the  
450 director by rule;

451 e. The assuming insurer or its legal successor shall  
452 provide, if requested by the director, on behalf of itself  
453 and any legal predecessors, certain documentation to the  
454 director, as specified by the director by rule;

455 f. The assuming insurer shall maintain a practice of  
456 prompt payment of claims under reinsurance agreements,  
457 pursuant to criteria set forth by rule;

458 g. The assuming insurer's supervisory authority shall  
459 confirm to the director on an annual basis, as of the  
460 preceding December thirty-first or at the annual date  
461 otherwise statutorily reported to the reciprocal  
462 jurisdiction that the assuming insurer complies with the  
463 requirements set forth in subparagraphs b. and c. of this  
464 paragraph;

465 h. Nothing in this subdivision precludes an assuming  
466 insurer from providing the director with information on a  
467 voluntary basis;

468 (b) The director shall timely create and publish a  
469 list of reciprocal jurisdictions;

470           a. A list of reciprocal jurisdictions is published  
471 through the NAIC committee process. The director's list  
472 shall include any reciprocal jurisdiction as defined under  
473 items (i) and (ii) of subparagraph a. of paragraph (a) of  
474 this subdivision and shall consider any other reciprocal  
475 jurisdiction included on the NAIC list. The director may  
476 approve a jurisdiction that does not appear on the NAIC list  
477 of reciprocal jurisdictions in accordance with criteria to  
478 be developed under rules promulgated by the director; and

479           b. The director may remove a jurisdiction from the  
480 list of reciprocal jurisdictions upon a determination that  
481 the jurisdiction no longer meets the requirements of a  
482 reciprocal jurisdiction, in accordance with a process set  
483 forth by rule promulgated by the director, except that the  
484 director shall not remove from the list a reciprocal  
485 jurisdiction as defined under item (i) and (ii) of  
486 subparagraph a. of paragraph (a) of this subdivision. Upon  
487 removal of a reciprocal jurisdiction from this list credit  
488 for reinsurance ceded to an assuming insurer that has its  
489 home office or is domiciled in that jurisdiction shall be  
490 allowed, if otherwise allowed under this section;

491           (c) The director shall timely create and publish a  
492 list of assuming insurers that have satisfied the conditions  
493 set forth in this subdivision and to which cessions shall be  
494 granted credit in accordance with this subdivision. The  
495 director may add an assuming insurer to such list if an NAIC  
496 accredited jurisdiction has added such assuming insurer to a  
497 list of such assuming insurers or if, upon initial  
498 eligibility, the assuming insurer submits the information to  
499 the director as required under subparagraph d. of paragraph  
500 (a) of this subdivision and complies with any additional  
501 requirements that the director may adopt by rule, except to



502 the extent that they conflict with an applicable covered  
503 agreement;

504 (d) If the director determines that an assuming  
505 insurer no longer meets one or more of the requirements  
506 under this subdivision, the director may revoke or suspend  
507 the eligibility of the assuming insurer for recognition  
508 under this subdivision in accordance with procedures set  
509 forth by rule;

510 a. While an assuming insurer's eligibility is  
511 suspended, no reinsurance agreement issued, amended, or  
512 renewed after the effective date of the suspension qualifies  
513 for credit, except to the extent that the assuming insurer's  
514 obligations under the contract are secured in accordance  
515 with subsection 2 of this section; and

516 b. If an assuming insurer's eligibility is revoked, no  
517 credit for reinsurance may be granted after the effective  
518 date of the revocation with respect to any reinsurance  
519 agreements entered into by the assuming insurer, including  
520 reinsurance agreements entered into prior to the date of  
521 revocation, except to the extent that the assuming insurer's  
522 obligations under the contract are secured in a form  
523 acceptable to the director and consistent with the  
524 provisions of subsection 2 of this section;

525 (e) If subject to a legal process of rehabilitation,  
526 liquidation, or conservation, as applicable, the ceding  
527 insurer, or its representative, may seek and, if determined  
528 appropriate by the court in which the proceedings are  
529 pending, may obtain an order requiring that the assuming  
530 insurer post security for all outstanding ceded liabilities;

531 (f) Nothing in this subdivision shall limit or in any  
532 way alter the capacity of parties to a reinsurance agreement  
533 to agree on requirements for security or other terms in that

534 reinsurance agreement, except as expressly prohibited by  
535 this section or other applicable law or regulation;

536 (g) Credit may be taken under this subdivision only  
537 for reinsurance agreements entered into, amended, or renewed  
538 on or after December 31, 2021, and only with respect to  
539 losses incurred and reserves reported on or after the later  
540 of the date on which the assuming insurer has met all  
541 eligibility requirements under paragraph (a) of this  
542 subdivision; or the effective date of the new reinsurance  
543 agreement, amendment, or renewal;

544 a. This paragraph shall not alter or impair a ceding  
545 insurer's right to take credit for reinsurance, to the  
546 extent that credit is not available under this subdivision,  
547 as long as the reinsurance qualifies for credit under any  
548 other applicable provision of this section;

549 b. Nothing in this subdivision shall authorize an  
550 assuming insurer to withdraw or reduce the security provided  
551 under any reinsurance agreement, except as permitted by the  
552 terms of the agreement; and

553 c. Nothing in this subdivision shall limit, or in any  
554 way alter, the capacity of parties to any reinsurance  
555 agreement to renegotiate the agreement;

556 (7) Credit:

557 (a) Shall be allowed when the reinsurance is ceded to  
558 an assuming insurer not meeting the requirements of  
559 subdivision (1), (2), (3), (4), [or] (5), or (6) of this  
560 subsection, but only as to the insurance of risks located in  
561 a jurisdiction of the United States where the reinsurance is  
562 required by applicable law or regulation of that  
563 jurisdiction;

564 (b) May be allowed in the discretion of the director  
565 when the reinsurance is ceded to an assuming insurer not

566 meeting the requirements of subdivision (1), (2), (3), (4),  
567 [or] (5), **or (6)** of this subsection, but only as to the  
568 insurance of risks located in a foreign country where the  
569 reinsurance is required by applicable law or regulation of  
570 that country;

571 **[(7)] (8)** If the assuming insurer is not licensed,  
572 accredited, or certified to transact insurance or  
573 reinsurance in this state, the credit permitted by  
574 subdivisions (3) and (4) of this subsection shall not be  
575 allowed unless the assuming insurer agrees in the  
576 reinsurance agreements:

577 (a) That in the event of the failure of the assuming  
578 insurer to perform its obligations under the terms of the  
579 reinsurance agreement, the assuming insurer, at the request  
580 of the ceding insurer shall submit to the jurisdiction of  
581 the courts of this state, will comply with all requirements  
582 necessary to give such courts jurisdiction, and will abide  
583 by the final decisions of such courts or of any appellate  
584 courts in this state in the event of an appeal; and

585 (b) To designate the director or a designated attorney  
586 as its true and lawful attorney upon whom may be served any  
587 lawful process in any action, suit or proceeding instituted  
588 by or on behalf of the ceding insurer. This paragraph is  
589 not intended to conflict with or override the obligation of  
590 the parties to a reinsurance agreement to arbitrate their  
591 disputes, if this obligation is created in the agreement and  
592 the jurisdiction and situs of the arbitration is, with  
593 respect to any receivership of the ceding company, any  
594 jurisdiction of the United States;

595 **[(8)] (9)** If the assuming insurer does not meet the  
596 requirements of subdivision (1), (2) or (3) of this  
597 subsection, the credit permitted by subdivision (4) or (5)

598 of this subsection shall not be allowed unless the assuming  
599 insurer agrees in the trust agreements to the following  
600 conditions:

601 (a) Notwithstanding any other provisions in the trust  
602 instrument, if the trust fund is inadequate because it  
603 contains an amount less than the amount required by  
604 paragraph (e) of subdivision (4) of this subsection, or if  
605 the grantor of the trust has been declared insolvent or  
606 placed into receivership, rehabilitation, liquidation or  
607 similar proceedings under the laws of its state or country  
608 of domicile, the trustee shall comply with an order of the  
609 commissioner or director with regulatory oversight over the  
610 trust or with an order of a court of competent jurisdiction  
611 directing the trustee to transfer to the commissioner or  
612 director with regulatory oversight all of the assets of the  
613 trust fund;

614 (b) The assets shall be distributed by and claims  
615 shall be filed with and valued by the commissioner or  
616 director with regulatory oversight in accordance with the  
617 laws of the state in which the trust is domiciled that are  
618 applicable to the liquidation of domestic insurance  
619 companies;

620 (c) If the commissioner or director with regulatory  
621 oversight determines that the assets of the trust fund or  
622 any part thereof are not necessary to satisfy the claims of  
623 the United States ceding insurers of the grantor of the  
624 trust, the assets or part thereof shall be returned by the  
625 commissioner or director with regulatory oversight to the  
626 trustee for distribution in accordance with the trust  
627 agreement; and

628           (d) The grantor shall waive any right otherwise  
629 available to it under United States law that is inconsistent  
630 with this subsection.

631           ~~[(9)]~~ **(10)** (a) If an accredited or certified  
632 reinsurer ceases to meet the requirements for accreditation  
633 or certification, the director may suspend or revoke the  
634 reinsurer's accreditation or certification.

635           (b) The director shall give the reinsurer notice and  
636 opportunity for a hearing. The suspension or revocation  
637 shall not take effect until after the director's order on  
638 hearing, unless:

639           a. The reinsurer waives its right to hearing;

640           b. The director's order is based on regulatory action  
641 by the reinsurer's domiciliary jurisdiction or the voluntary  
642 surrender or termination of the reinsurer's eligibility to  
643 transact insurance or reinsurance business in its  
644 domiciliary jurisdiction or in the primary certifying state  
645 of the reinsurer under subdivision (5) of this subsection; or

646           c. The director finds that an emergency requires  
647 immediate action, and a court of competent jurisdiction has  
648 not stayed the commissioner's action.

649           (c) While a reinsurer's accreditation or certification  
650 is suspended, no reinsurance contract issued or renewed  
651 after the effective date of the suspension qualifies for  
652 credit except to the extent that the reinsurer's obligations  
653 under the contract are secured in accordance with  
654 subdivision (5) of this subsection or subsection 2 of this  
655 section. If a reinsurer's accreditation or certification is  
656 revoked, no credit for reinsurance shall be granted after  
657 the effective date of the revocation except to the extent  
658 that the reinsurer's obligations under the contract are

659 secured in accordance with subdivision (5) of this  
660 subsection or subsection 2 of this section.

661        ~~[(10)]~~ **(11)** (a) A ceding insurer shall take steps to  
662 manage its reinsurance recoverables proportionate to its own  
663 book of business. A domestic ceding insurer shall notify  
664 the director within thirty days after reinsurance  
665 recoverables from any single assuming insurer or group of  
666 affiliated assuming insurers exceeds fifty percent of the  
667 domestic ceding insurer's last reported surplus to  
668 policyholders or after it is determined that reinsurance  
669 recoverables from any single assuming insurer or group of  
670 affiliated assuming insurers is likely to exceed such limit.

671 The notification shall demonstrate that the exposure is  
672 safely managed by the domestic ceding insurer.

673        (b) A ceding insurer shall take steps to diversify  
674 its reinsurance program. A domestic ceding insurer shall  
675 notify the director within thirty days after ceding to any  
676 single assuming insurer or group of affiliated assuming  
677 insurers more than twenty percent of the ceding insurer's  
678 gross written premium in the prior calendar year or after it  
679 has determined that the reinsurance ceded to any single  
680 assuming insurer or group of affiliated assuming insurers is  
681 likely to exceed such limit. The notification shall  
682 demonstrate that the exposure is safely managed by the  
683 domestic ceding insurer.

684        2. An asset or reduction from liability for the  
685 reinsurance ceded by a domestic insurer to an assuming  
686 insurer not meeting the requirements of subsection 1 of this  
687 section shall be allowed in an amount not exceeding the  
688 liabilities carried by the ceding insurer; **provided further,**  
689 **that the director may adopt by rule pursuant to subdivision**  
690 **(2) of subsection 4 of this section specific additional**

691 requirements relating to or setting forth the valuation of  
692 assets or reserve credits, the amount and forms of security  
693 supporting reinsurance arrangements described in subdivision  
694 (2) of subsection 4 of this section or the circumstances  
695 under which credit will be reduced or eliminated. The  
696 reduction shall be in the amount of funds held by or on  
697 behalf of the ceding insurer, including funds held in trust  
698 for the ceding insurer, under a reinsurance contract with  
699 the assuming insurer as security for the payment of  
700 obligations thereunder, if the security is held in the  
701 United States subject to withdrawal solely by, and under the  
702 exclusive control of, the ceding insurer; or, in the case of  
703 a trust, held in a qualified United States financial  
704 institution, as defined in subdivision (2) of subsection 3  
705 of this section. This security may be in the form of:

706 (1) Cash;

707 (2) Securities listed by the securities valuation  
708 office of the National Association of Insurance  
709 Commissioners, including those deemed exempt from filing as  
710 defined by the Purposes and Procedures Manual of the  
711 Securities Valuation Office, and qualifying as admitted  
712 assets;

713 (3) (a) Clean, irrevocable, unconditional letters of  
714 credit issued or confirmed by a qualified United States  
715 financial institution, as defined in subdivision (1) of  
716 subsection 3 of this section, no later than December thirty-  
717 first of the year for which filing is being made, and in the  
718 possession of, or in trust for, the ceding insurer on or  
719 before the filing date of its annual statement.

720 (b) Letters of credit meeting applicable standards of  
721 issuer acceptability as of the dates of their issuance or  
722 confirmation, notwithstanding the issuing or confirming

723 institution's subsequent failure to meet applicable  
724 standards of issuer acceptability, shall continue to be  
725 acceptable as security until their expiration, extension,  
726 renewal, modification or amendment, whichever first occurs;

727 (4) Any other form of security acceptable to the  
728 director.

729 3. (1) For purposes of subdivision (3) of subsection  
730 2 of this section, a "qualified United States financial  
731 institution" means an institution that:

732 (a) Is organized or, in the case of a United States  
733 office of a foreign banking organization, licensed under the  
734 laws of the United States or any state thereof;

735 (b) Is regulated, supervised and examined by federal  
736 or state authorities having regulatory authority over banks  
737 and trust companies; and

738 (c) Has been determined by either the director, or the  
739 securities valuation office of the National Association of  
740 Insurance Commissioners, to meet such standards of financial  
741 condition and standing as are considered necessary and  
742 appropriate to regulate the quality of financial  
743 institutions whose letters of credit will be acceptable to  
744 the director.

745 (2) A "qualified United States financial institution"  
746 means, for purposes of those provisions of this law  
747 specifying those institutions that are eligible to act as a  
748 fiduciary of a trust, an institution that:

749 (a) Is organized, or in the case of a United States  
750 branch or agency office of a foreign banking organization,  
751 licensed under the laws of the United States or any state  
752 thereof and has been granted authority to operate with  
753 fiduciary powers; and



754 (b) Is regulated, supervised and examined by federal  
755 or state authorities having regulatory authority over banks  
756 and trust companies.

757 4. (1) The director may adopt rules and regulations  
758 implementing the provisions of this section.

759 (2) The director is further authorized to adopt rules  
760 and regulations applicable to reinsurance arrangements  
761 described in paragraph (a) of this subdivision.

762 (a) A rule adopted under this subdivision may apply  
763 only to reinsurance relating to:

764 a. Life insurance policies with guaranteed nonlevel  
765 gross premiums or guaranteed nonlevel benefits;

766 b. Universal life insurance policies with provisions  
767 resulting in the ability of a policyholder to keep a policy  
768 in force over a secondary guarantee period;

769 c. Variable annuities with guaranteed death or living  
770 benefits;

771 d. Long-term care insurance policies; or

772 e. Such other life and health insurance and annuity  
773 products as to which the NAIC adopts model regulatory  
774 requirements with respect to credit for reinsurance.

775 (b) A rule adopted under subparagraphs a. or b. of  
776 paragraph (a) of this subdivision may apply to any treaty  
777 containing policies issued on or after January 1, 2015, or  
778 policies issued prior to January 1, 2015, if risk pertaining  
779 to such pre-2015 policies is ceded in connection with the  
780 treaty, in whole or in part, on or after January 1, 2015.

781 (c) A rule adopted under this subdivision may require  
782 the ceding insurer, in calculating the amounts or forms of  
783 security required to be held under rules promulgated under  
784 this authority, to use the valuation manual adopted in  
785 accordance with subsection 6 of section 376.380, including

786 all amendments adopted thereto and in effect on the date as  
787 of which the calculation is made, to the extent applicable.

788 (d) A regulation adopted under this subdivision shall  
789 not apply to cessions to an assuming insurer that:

790 a. Meets the conditions set forth in subdivision (6)  
791 of subsection 1 of this section, or if this state has not  
792 fully implemented provisions substantially equivalent to  
793 subdivision (6) of subsection 1 of this section by rule or  
794 otherwise, the assuming insurer is operating in accordance  
795 with provisions substantially equivalent to subdivision (6)  
796 of subsection 1 of this section in a minimum of five other  
797 states;

798 b. Is certified in this state; or

799 c. Maintains at least two hundred fifty million  
800 dollars in capital and surplus when determined in accordance  
801 with the NAIC Accounting Practices and Procedures Manual,  
802 including all amendments thereto adopted by the NAIC,  
803 excluding the impact of any permitted or prescribed  
804 practices, and is:

805 (i) Licensed in at least twenty-six states; or

806 (ii) Licensed in at least ten states and licensed or  
807 accredited in a total of at least thirty-five states.

808 (e) The authority to adopt regulations under this  
809 subdivision does not limit the director's general authority  
810 to adopt regulations under subdivision (1) of this  
811 subsection.

812 5. (1) The director shall disallow any credit as an  
813 asset or as a deduction from liability for any reinsurance  
814 found by him to have been arranged for the purpose  
815 principally of deception as to the ceding company's  
816 financial condition as of the date of any financial  
817 statement of the company. Without limiting the general

818 purport of this provision, reinsurance of any substantial  
819 part of the company's outstanding risks contracted for in  
820 fact within four months prior to the date of any such  
821 financial statement and cancelled in fact within four months  
822 after the date of such statement, or reinsurance under which  
823 the assuming insurer bears no substantial insurance risk or  
824 substantial risk of net loss to itself, shall prima facie be  
825 deemed to have been arranged for the purpose principally of  
826 deception within the intent of this provision.

827 (2) (a) The director shall also disallow as an asset  
828 or deduction from liability to any ceding insurer any credit  
829 for reinsurance unless the reinsurance is payable to the  
830 ceding company, and if it be insolvent to its receiver, by  
831 the assuming insurer on the basis of the liability of the  
832 ceding company under the contracts reinsured without  
833 diminution because of the insolvency of the ceding company.

834 (b) Such payments shall be made directly to the ceding  
835 insurer or to its domiciliary liquidator except:

836 a. Where the contract of insurance or reinsurance  
837 specifically provides for payment to the named insured,  
838 assignee or named beneficiary of the policy issued by the  
839 ceding insurer in the event of the insolvency of the ceding  
840 insurer; or

841 b. Where the assuming insurer, with the consent of it  
842 and the direct insured or insureds in an assumption  
843 reinsurance transaction subject to sections 375.1280 to  
844 375.1295, has assumed such policy obligations of the ceding  
845 insurer as direct obligations of the assuming insurer to the  
846 payees under such policies and in substitution for the  
847 obligations of the ceding insurer to such payees.

848 (c) Notwithstanding paragraphs (a) and (b) of this  
849 subdivision, in the event that a life and health insurance

850 guaranty association has made the election to succeed to the  
851 rights and obligations of the insolvent insurer under the  
852 contract of reinsurance, then the reinsurer's liability to  
853 pay covered reinsured claims shall continue under the  
854 contract of reinsurance, subject to the payment to the  
855 reinsurer of the reinsurance premiums for such coverage.  
856 Payment for such reinsured claims shall only be made by the  
857 reinsurer pursuant to the direction of the guaranty  
858 association or its designated successor. Any payment made  
859 at the direction of the guaranty association or its  
860 designated successor by the reinsurer will discharge the  
861 reinsurer of all further liability to any other party for  
862 such claim payment.

863 (d) The reinsurance agreement may provide that the  
864 domiciliary liquidator of an insolvent ceding insurer shall  
865 give written notice to the assuming insurer of the pendency  
866 of a claim against such ceding insurer on the contract  
867 reinsured within a reasonable time after such claim is filed  
868 in the liquidation proceeding. During the pendency of such  
869 claim, any assuming insurer may investigate such claim and  
870 interpose, at its own expense, in the proceeding where such  
871 claim is to be adjudicated any defenses which it deems  
872 available to the ceding insurer, or its liquidator. Such  
873 expense may be filed as a claim against the insolvent ceding  
874 insurer to the extent of a proportionate share of the  
875 benefit which may accrue to the ceding insurer solely as a  
876 result of the defense undertaken by the assuming insurer.  
877 Where two or more assuming insurers are involved in the same  
878 claim and a majority in interest elect to interpose a  
879 defense to such claim, the expense shall be apportioned in  
880 accordance with the terms of the reinsurance agreement as  
881 though such expense had been incurred by the ceding insurer.

882           6. To the extent that any reinsurer of an insurance  
883 company in liquidation would have been required under any  
884 agreement pertaining to reinsurance to post letters of  
885 credit or other security prior to an order of liquidation to  
886 cover such reserves reflected upon the last financial  
887 statement filed with a regulatory authority immediately  
888 prior to receivership, such reinsurer shall be required to  
889 post letters of credit or other security to cover reserves  
890 after a company has been placed in liquidation or  
891 receivership. If a reinsurer shall fail to post letters of  
892 credit or other security as required by a reinsurance  
893 agreement or the provisions of this subsection, the director  
894 may consider disallowing as a credit or asset, in whole or  
895 in part, any future reinsurance ceded to such reinsurer by a  
896 ceding insurance company that is incorporated under the laws  
897 of the state of Missouri.

898           7. The provisions of section 375.420 shall not apply  
899 to any action, suit or proceeding by a ceding insurer  
900 against an assuming insurer arising out of a contract of  
901 reinsurance effectuated in accordance with the laws of  
902 Missouri.

903           8. Notwithstanding any other provision of this  
904 section, a domestic insurer may take credit for reinsurance  
905 ceded either as an asset or a reduction from liability only  
906 to the extent such credit is allowed by the consistent  
907 application of either applicable statutory accounting  
908 principles adopted by the NAIC or other accounting  
909 principles approved by the director.

910           9. The director may suspend the accreditation,  
911 approval, or certification under subsection 1 of this  
912 section of any reinsurer for failure to comply with the  
913 applicable requirements of subsection 1 of this section

914 after providing the affected reinsurer with notice and  
915 opportunity for hearing.

376.421. 1. Except as provided in subsection 2 of  
2 this section, no policy of group health insurance shall be  
3 delivered in this state unless it conforms to one of the  
4 following descriptions:

5 (1) A policy issued to an employer, or to the trustees  
6 of a fund established by an employer, which employer or  
7 trustees shall be deemed the policyholder, to insure  
8 employees of the employer for the benefit of persons other  
9 than the employer, subject to the following requirements:

10 (a) The employees eligible for insurance under the  
11 policy shall be all of the employees of the employer, or all  
12 of any class or classes thereof. The policy may provide  
13 that the term employees shall include the employees of one  
14 or more subsidiary corporations, and the employees,  
15 individual proprietors, and partners of one or more  
16 affiliated corporations, proprietorships or partnerships, if  
17 the business of the employer and of such affiliated  
18 corporations, proprietorships or partnerships is under  
19 common control. The policy may provide that the term  
20 employees shall include the individual proprietor or  
21 partners if the employer is an individual proprietorship or  
22 partnership. The policy may provide that the term employees  
23 shall include retired employees, former employees and  
24 directors of a corporate employer. A policy issued to  
25 insure the employees of a public body may provide that the  
26 term employees shall include elected or appointed officials;

27 (b) The premium for the policy shall be paid either  
28 from the employer's funds or from funds contributed by the  
29 insured employees, or from both. Except as provided in  
30 paragraph (c) of this subdivision, a policy on which no part

31 of the premium is to be derived from funds contributed by  
32 the insured employees must insure all eligible employees,  
33 except those who reject such coverage in writing; and

34 (c) An insurer may exclude or limit the coverage on  
35 any person as to whom evidence of individual insurability is  
36 not satisfactory to the insurer in a policy insuring fewer  
37 than ten employees and in a policy insuring ten or more  
38 employees if:

39 a. Application is not made within thirty-one days  
40 after the date of eligibility for insurance; or

41 b. The person voluntarily terminated the insurance  
42 while continuing to be eligible for insurance under the  
43 policy; or

44 c. After the expiration of an open enrollment period  
45 during which the person could have enrolled for the  
46 insurance or could have elected another level of benefits  
47 under the policy;

48 (2) A policy issued to a creditor or its parent  
49 holding company or to a trustee or trustees or agent  
50 designated by two or more creditors, which creditor, holding  
51 company, affiliate, trustee, trustees or agent shall be  
52 deemed the policyholder, to insure debtors of the creditor  
53 or creditors with respect to their indebtedness subject to  
54 the following requirements:

55 (a) The debtors eligible for insurance under the  
56 policy shall be all of the debtors of the creditor or  
57 creditors, or all of any class or classes thereof. The  
58 policy may provide that the term debtors shall include:

59 a. Borrowers of money or purchasers or lessees of  
60 goods, services, or property for which payment is arranged  
61 through a credit transaction;

62           b. The debtors of one or more subsidiary corporations;  
63 and

64           c. The debtors of one or more affiliated corporations,  
65 proprietorships or partnerships if the business of the  
66 policyholder and of such affiliated corporations,  
67 proprietorships or partnerships is under common control;

68           (b) The premium for the policy shall be paid either  
69 from the creditor's funds or from charges collected from the  
70 insured debtors, or from both. Except as provided in  
71 paragraph (c) of this subdivision, a policy on which no part  
72 of the premium is to be derived from funds contributed by  
73 insured debtors specifically for their insurance must insure  
74 all eligible debtors;

75           (c) An insurer may exclude any debtors as to whom  
76 evidence of individual insurability is not satisfactory to  
77 the insurer in a policy insuring fewer than ten debtors and  
78 in a policy insuring ten or more debtors if:

79           a. Application is not made within thirty-one days  
80 after the date of eligibility for insurance; or

81           b. The person voluntarily terminated the insurance  
82 while continuing to be eligible for insurance under the  
83 policy; or

84           c. After the expiration of an open enrollment period  
85 during which the person could have enrolled for the  
86 insurance or could have elected another level of benefits  
87 under the policy;

88           (d) The total amount of insurance payable with respect  
89 to an indebtedness shall not exceed the greater of the  
90 scheduled or actual amount of unpaid indebtedness to the  
91 creditor. The insurer may exclude any payments which are  
92 delinquent on the date the debtor becomes disabled as  
93 defined in the policy;



94           (e) The insurance may be payable to the creditor or to  
95 any successor to the right, title, and interest of the  
96 creditor. Such payment or payments shall reduce or  
97 extinguish the unpaid indebtedness of the debtor to the  
98 extent of each such payment and any excess of insurance  
99 shall be payable to the insured or the estate of the insured;

100           (f) Notwithstanding the preceding provisions of this  
101 subdivision, insurance on agricultural credit transaction  
102 commitments may be written up to the amount of the loan  
103 commitment, and insurance on educational credit transaction  
104 commitments may be written up to the amount of the loan  
105 commitment less the amount of any repayments made on the  
106 loan;

107           (3) A policy issued to a labor union or similar  
108 employee organization, which shall be deemed to be the  
109 policyholder, to insure members of such union or  
110 organization for the benefit of persons other than the union  
111 or organization or any of its officials, representatives, or  
112 agents, subject to the following requirements:

113           (a) The members eligible for insurance under the  
114 policy shall be all of the members of the union or  
115 organization, or all of any class or classes thereof;

116           (b) The premium for the policy shall be paid either  
117 from funds of the union or organization or from funds  
118 contributed by the insured members specifically for their  
119 insurance, or from both. Except as provided in paragraph

120 (c) of this subdivision, a policy on which no part of the  
121 premium is to be derived from funds contributed by the  
122 insured members specifically for their insurance must insure  
123 all eligible members, except those who reject such coverage  
124 in writing;

125 (c) An insurer may exclude or limit the coverage on  
126 any person as to whom evidence of individual insurability is  
127 not satisfactory to the insurer in a policy insuring fewer  
128 than ten members and in a policy insuring ten or more  
129 members if:

130 a. Application is not made within thirty-one days  
131 after the date of eligibility for insurance; or

132 b. The person voluntarily terminated the insurance  
133 while continuing to be eligible for insurance under the  
134 policy; or

135 c. After the expiration of an open enrollment period  
136 during which the person could have enrolled for the  
137 insurance or could have elected another level of benefits  
138 under the policy;

139 (4) A policy issued to a trust, or to the trustee of a  
140 fund, established or adopted by two or more employers, or by  
141 one or more labor unions or similar employee organizations,  
142 or by one or more employers and one or more labor unions or  
143 similar employee organizations, which trust or trustee shall  
144 be deemed the policyholder, to insure employees of the  
145 employers or members of the unions or organizations for the  
146 benefit of persons other than the employers or the unions or  
147 organizations, subject to the following requirements:

148 (a) The persons eligible for insurance shall be all of  
149 the employees of the employers or all of the members of the  
150 unions or organizations, or all of any class or classes  
151 thereof. The policy may provide that the term employees  
152 shall include the employees of one or more subsidiary  
153 corporations, and the employees, individual proprietors, and  
154 partners of one or more affiliated corporations,  
155 proprietorships or partnerships if the business of the  
156 employer and of such affiliated corporations,

157 proprietorships or partnerships is under common control.  
158 The policy may provide that the term employees shall include  
159 the individual proprietor or partners if the employer is an  
160 individual proprietorship or partnership. The policy may  
161 provide that the term employees shall include retired  
162 employees, former employees and directors of a corporate  
163 employer. The policy may provide that the term employees  
164 shall include the trustees or their employees, or both, if  
165 their duties are principally connected with such trusteeship;

166 (b) The premium for the policy shall be paid from  
167 funds contributed by the employer or employers of the  
168 insured persons or by the union or unions or similar  
169 employee organizations, or by both, or from funds  
170 contributed by the insured persons or from both the insured  
171 persons and the employer or union or similar employee  
172 organization. Except as provided in paragraph (c) of this  
173 subdivision, a policy on which no part of the premium is to  
174 be derived from funds contributed by the insured persons  
175 specifically for their insurance, must insure all eligible  
176 persons except those who reject such coverage in writing;

177 (c) An insurer may exclude or limit the coverage on  
178 any person as to whom evidence of individual insurability is  
179 not satisfactory to the insurer;

180 (5) A policy issued to an association or to a trust or  
181 to the trustees of a fund established, created and  
182 maintained for the benefit of members of one or more  
183 associations. The association or associations shall have at  
184 the outset a minimum of fifty members; shall have been  
185 organized and maintained in good faith [for purposes other  
186 than that of obtaining insurance; shall have been in active  
187 existence for at least two years]; shall have a constitution  
188 and bylaws which provide that the association or

189 associations shall hold regular meetings not less than  
190 annually to further the purposes of the members; shall,  
191 except for credit unions, collect dues or solicit  
192 contributions from members; and shall provide the members  
193 with voting privileges and representation on the governing  
194 board and committees. The policy shall be subject to the  
195 following requirements:

196 (a) The policy may insure members of such association  
197 or associations, employees thereof, or employees of members,  
198 or one or more of the preceding, or all of any class or  
199 classes thereof for the benefit of persons other than the  
200 employee's employer;

201 (b) The premium for the policy shall be paid from  
202 funds contributed by the association or associations or by  
203 employer members, or by both, or from funds contributed by  
204 the covered persons or from both the covered persons and the  
205 association, associations, or employer members;

206 (c) Except as provided in paragraph (d) of this  
207 subdivision, a policy on which no part of the premium is to  
208 be derived from funds contributed by the covered persons  
209 specifically for their insurance must insure all eligible  
210 persons, except those who reject such coverage in writing;

211 (d) An insurer may exclude or limit the coverage on  
212 any person as to whom evidence of individual insurability is  
213 not satisfactory to the insurer;

214 (e) If the health benefit plan, as defined in section  
215 376.1350, is delivered, issued for delivery, continued or  
216 renewed, is providing coverage to any resident of this  
217 state, and is providing coverage to sole proprietors, self-  
218 employed persons, small employers as defined in subsection 2  
219 of section 379.930, and large employers, the insurer  
220 providing the coverage to the association or trust or

221 trustees of a fund established, created, and maintained for  
222 the benefit of members of one or more associations may be  
223 exempt from subdivision (1) of subsection 1 of section  
224 379.936 as it relates to the association plans established  
225 under this section. The director shall find that an  
226 exemption would be in the public interest and approved and  
227 that additional classes of business may be approved under  
228 subsection 4 of section 379.934 if the director determines  
229 that the health benefit plan:

230 a. Is underwritten and rated as a single employer;

231 b. Has a uniform health benefit plan design option or  
232 options for all participating association members or  
233 employers;

234 c. Has guarantee issue to all association members and  
235 all eligible employees, as defined in subsection 2 of  
236 section 379.930, of any participating association member  
237 company; and

238 d. Complies with all other federal and state insurance  
239 requirements, including but not limited to the small  
240 employer health insurance and availability act under  
241 sections 379.930 to 379.952;

242 (6) A policy issued to a credit union or to a trustee  
243 or trustees or agent designated by two or more credit  
244 unions, which credit union, trustee, trustees or agent shall  
245 be deemed the policyholder, to insure members of such credit  
246 union or credit unions for the benefit of persons other than  
247 the credit union or credit unions, trustee or trustees, or  
248 agent or any of their officials, subject to the following  
249 requirements:

250 (a) The members eligible for insurance shall be all of  
251 the members of the credit union or credit unions, or all of  
252 any class or classes thereof;

253           (b) The premium for the policy shall be paid by the  
254 policyholder from the credit union's funds and, except as  
255 provided in paragraph (c) of this subdivision, must insure  
256 all eligible members;

257           (c) An insurer may exclude or limit the coverage on  
258 any member as to whom evidence of individual insurability is  
259 not satisfactory to the insurer;

260           (7) A policy issued to cover persons in a group where  
261 that group is specifically described by a law of this state  
262 as one which may be covered for group life insurance. The  
263 provisions of such law relating to eligibility and evidence  
264 of insurability shall apply.

265           2. Group health insurance offered to a resident of  
266 this state under a group health insurance policy issued to a  
267 group other than one described in subsection 1 of this  
268 section shall be subject to the following requirements:

269           (1) No such group health insurance policy shall be  
270 delivered in this state unless the director finds that:

271           (a) The issuance of such group policy is not contrary  
272 to the best interest of the public;

273           (b) The issuance of the group policy would result in  
274 economies of acquisition or administration; and

275           (c) The benefits are reasonable in relation to the  
276 premiums charged;

277           (2) No such group health insurance coverage may be  
278 offered in this state by an insurer under a policy issued in  
279 another state unless this state or another state having  
280 requirements substantially similar to those contained in  
281 subdivision (1) of this subsection has made a determination  
282 that such requirements have been met;

283 (3) The premium for the policy shall be paid either  
284 from the policyholder's funds, or from funds contributed by  
285 the covered persons, or from both;

286 (4) An insurer may exclude or limit the coverage on  
287 any person as to whom evidence of individual insurability is  
288 not satisfactory to the insurer.

289 3. As used in this section, insurer shall have the  
290 same meaning as the definition of health carrier under  
291 section 376.1350, and "class" means a predefined group of  
292 persons eligible for coverage under a group insurance policy  
293 where members of a class represent the same or essentially  
294 the same hazard; except that, an insurer may offer a policy  
295 to an employer that charges a reduced premium rate or  
296 deductible for employees who do not smoke or use tobacco  
297 products as authorized under section 290.145, and such  
298 insurer shall not be considered to be in violation of any  
299 unfair trade practice, as defined in section 379.936, even  
300 if only some employers elect to purchase such a policy and  
301 other employers do not.

**376.2080. 1. As used in this chapter and chapter 375,  
2 the term "funding agreement" means an agreement for an  
3 insurer to accept and accumulate funds and to make one or  
4 more payments at future dates in amounts that are not based  
5 on mortality or morbidity contingencies of the person to  
6 whom the funding agreement is issued. A funding agreement  
7 shall not be deemed to constitute a security, as such term  
8 is defined in section 409.1-102.**

9 **2. A life insurance company formed under this chapter  
10 may issue funding agreements. The issuance of a funding  
11 agreement shall be deemed to be doing insurance business.**

12 **3. The director may promulgate rules as necessary for  
13 the implementation of this section. Any rule or portion of**

14 a rule, as that term is defined in section 536.010, that is  
15 created under the authority delegated in this section shall  
16 become effective only if it complies with and is subject to  
17 all of the provisions of chapter 536 and, if applicable,  
18 section 536.028. This section and chapter 536 are  
19 nonseverable and if any of the powers vested with the  
20 general assembly pursuant to chapter 536 to review, to delay  
21 the effective date, or to disapprove and annul a rule are  
22 subsequently held unconstitutional, then the grant of  
23 rulemaking authority and any rule proposed or adopted after  
24 August 28, 2021, shall be invalid and void.

379.120. 1. If any insurer refuses to write a policy  
2 of automobile insurance, it shall, within thirty days after  
3 such refusal, send a written explanation of such refusal to  
4 the applicant at his last known address. Notice shall be  
5 sent by United States Postal Service certified mail,  
6 certificate of mailing, first class mail using Intelligent  
7 Mail barcode (IMb), or another mail tracking method used,  
8 approved, or accepted by the United States Postal Service.  
9 The explanation shall state:

10 (1) The insurer's actual reason for refusing to write  
11 the policy, the statement of reason to be sufficiently clear  
12 and specific so that a person of average intelligence can  
13 identify the basis for the insurer's decision without  
14 further inquiry. Generalized terms such as "personal  
15 habits", "living conditions", "poor morals", or "violation  
16 or accident record" shall not suffice to meet the  
17 requirements of this subdivision;

18 (2) That the applicant may be eligible for insurance  
19 through the assigned risk plan if other insurance is not  
20 available.



21           2. An insurer shall be exempt from the requirements of  
22 subsection 1 of this section if the applicant is written on  
23 a policy of automobile insurance issued by an affiliate or  
24 subsidiary within the same insurance holding company system.

          379.1800. 1. Except as provided in subsection 2 of  
2 this section, no policy of group personal lines property and  
3 casualty insurance shall be issued or delivered in this  
4 state unless it conforms to one of the following  
5 descriptions:

6           (1) A policy issued to an employer, or to the trustees  
7 of a fund established by an employer, which employer or  
8 trustees shall be deemed the policyholder, to insure  
9 employees of the employer for the benefit of persons other  
10 than the employer, subject to the following requirements:

11           (a) The employees eligible for insurance under the  
12 policy shall be all of the employees of the employer or all  
13 of any class or classes thereof. The policy may provide  
14 that the term "employees" shall include the employees of one  
15 or more subsidiary corporations and the employees,  
16 individual proprietors, and partners of one or more  
17 affiliated corporations, proprietorships, or partnerships if  
18 the business of the employer and of the affiliated  
19 corporations, proprietorships or partnerships is under  
20 common control. The policy may provide that the term  
21 "employees" shall include the individual proprietor or  
22 partners if the employer is an individual proprietorship, or  
23 partnership. The policy may provide that the term  
24 "employees" shall include directors of a corporate employer  
25 and retired employees. A policy issued to insure the  
26 employees of a public body may provide that the term  
27 "employees" shall include elected or appointed officials; and

28           (b) The premium for the policy shall be paid either  
29 from the employer's funds or from funds contributed by the  
30 insured employees, or from both. A policy on which no part  
31 of the premium is to be derived from funds contributed by  
32 the insured employees shall insure all eligible employees,  
33 except those who reject such coverage in writing;

34           (2) A policy issued to a labor union or similar  
35 employee organization, which shall be deemed to be the  
36 policyholder, to insure members of the union or organization  
37 for the benefit of persons other than the union or  
38 organization or any of its officials, representatives or  
39 agents, subject to the following requirements:

40           (a) The members eligible for insurance under the  
41 policy shall be all of the members of the union or  
42 organization or all of any class or classes thereof; and

43           (b) The premium for the policy shall be paid from  
44 funds of the union or organization, from funds contributed  
45 by the insured members specifically for their insurance, or  
46 from both. A policy on which no part of the premium is to  
47 be derived from funds contributed by the insured members  
48 specifically for their insurance shall insure all eligible  
49 members, except those who reject such coverage in writing;

50           (3) A policy issued to a trust, or to the trustees of  
51 a fund, established or adopted by two or more employers, or  
52 by one or more labor unions or similar employee  
53 organizations, or by one or more employers and one or more  
54 labor unions or similar employee organizations, which trust  
55 or trustees shall be deemed the policyholder, to insure  
56 employees of the employers or members of the unions or  
57 organizations for the benefit of persons other than the  
58 employers or the unions or organizations, subject to the  
59 following requirements:

60           (a) The persons eligible for insurance shall be all of  
61 the employees of the employers or all of the members of the  
62 unions or organizations or all of any class or classes  
63 thereof. The policy may provide that the term "employees"  
64 shall include the employees of one or more subsidiary  
65 corporations and the employees, individual proprietors, and  
66 partners of one or more affiliated corporations,  
67 proprietorships, or partnerships if the business of the  
68 employer and of such affiliated corporations,  
69 proprietorships, or partnerships is under common control.  
70 The policy may provide that the term "employees" shall  
71 include the individual proprietor or partners if the  
72 employer is an individual proprietorship or partnership.  
73 The policy may provide that the term "employees" shall  
74 include directors of a corporate employer and retired  
75 employees. The policy may provide that the term "employees"  
76 shall include the trustees or their employees, or both, if  
77 their duties are principally connected with such  
78 trusteeship; and

79           (b) The premium for the policy shall be paid from  
80 funds contributed by the employer or employers of the  
81 insured persons, by the union or unions or similar employee  
82 organizations, or by both; from funds contributed by the  
83 insured persons; from both the insured persons and the  
84 employers; or unions or similar employee organizations. A  
85 policy on which no part of the premium is to be derived from  
86 funds contributed by the insured persons specifically for  
87 their insurance shall insure all eligible persons, except  
88 those who reject such coverage in writing; and

89           (4) A policy issued to an association or to a trust or  
90 to the trustees of a fund established, created, or  
91 maintained for the benefit of members of one or more

92 associations. The association or associations shall have at  
93 the outset a minimum of one hundred persons and have been  
94 organized and maintained in good faith for purposes other  
95 than that of obtaining insurance, shall have been in active  
96 existence for at least one year, and shall have a  
97 constitution and bylaws that provide:

98 (a) The association or associations hold regular  
99 meetings not less than annually to further purposes of the  
100 members;

101 (b) The association or associations collect dues or  
102 solicit contributions from members; and

103 (c) The members have voting privileges and  
104 representation on the governing board and committees.

105 Policies under this subdivision shall be subject to the  
106 following requirements:

107 a. The policy may insure members of the association or  
108 associations, employees thereof or employees of members, or  
109 one or more of the preceding or all of any class or classes  
110 thereof for the benefit of persons other than the employees'  
111 employer;

112 b. The premium for the policy shall be paid from funds  
113 contributed by the association or associations, by employer  
114 members, or by both; from funds contributed by the insured  
115 persons or from both the insured persons and the  
116 association; associations; or employer members. A policy on  
117 which no part of the premium is to be derived from funds  
118 contributed by the insured persons specifically for their  
119 insurance shall insure all eligible persons, except those  
120 who reject such coverage in writing; and

121 c. If compensation of any kind will or may be paid to  
122 the policyholder in connection with the group policy, the

123 insurer shall cause to be distributed to prospective  
124 insureds a written notice that compensation will or may be  
125 paid. Such notice shall be distributed:

- 126 (i) Whether compensation is direct or indirect; and
- 127 (ii) Whether such compensation is paid to or retained  
128 by the policyholder or paid to or retained by a third party  
129 at the direction of the policyholder or any entity  
130 affiliated with the policyholder by ownership, contract, or  
131 employment.

132 The notice required by this subparagraph shall be placed on  
133 or accompany any document designed for the enrollment of  
134 prospective insureds;

135 Under this subsection, the definition of an eligible  
136 employee or member may include the spouse of the eligible  
137 employee or member.

138 2. Group personal lines property and casualty  
139 insurance offered to a resident of this state under a group  
140 personal lines property and casualty insurance policy issued  
141 or delivered to a group other than one described in  
142 subsection 1 of this section shall be subject to the  
143 following requirements:

144 (1) No such group personal lines property and casualty  
145 insurance policy shall be issued or delivered in this state  
146 unless the director finds that:

147 (a) The issuance of the group policy is not contrary  
148 to the best interest of the public;

149 (b) The issuance of the group policy would result in  
150 economies of acquisition or administration; and

151 (c) The benefits are reasonable in relation to the  
152 premiums charged;

153           (2) No group personal lines property and casualty  
154 insurance coverage shall be offered in this state by an  
155 insurer under a policy issued or delivered in another state  
156 unless this state or another state having requirements  
157 substantially similar to those contained in subdivision (1)  
158 of this subsection has made a determination that the  
159 requirements have been met;

160           (3) The premium for a group personal lines property  
161 and casualty policy shall be paid from the policyholder's  
162 funds, from funds contributed by the covered persons, or  
163 from both; and

164           (4) If compensation of any kind will or may be paid to  
165 the policyholder in connection with the group policy, the  
166 insurer shall cause to be distributed to prospective  
167 insureds a written notice that compensation will or may be  
168 paid. Notice shall be distributed:

169           (a) Whether compensation is direct or indirect; and

170           (b) Whether such compensation is paid to or retained  
171 by the policyholder or paid to or retained by a third party  
172 at the direction of the policyholder or any entity  
173 affiliated with the policyholder by ownership, contract, or  
174 employment.

175 The notice required by this subsection shall be placed on or  
176 accompany any document designed for the enrollment of  
177 prospective insureds.

379.1803. 1. A master policy shall be issued to the  
2 policyholder. Eligible employees or members insured under  
3 the master policy shall receive certificates of coverage  
4 setting forth a statement as to the insurance protection to  
5 which they are entitled.

6           2. No master policy or certificate of insurance shall  
7 be issued or delivered in this state unless the master  
8 policy form; together with all forms for riders,  
9 certificates, and endorsements to the master policy form;  
10 shall have met the applicable filing requirements in this  
11 state. No subsequent amendments to the master policy form  
12 or forms for riders, certificates, and endorsements to the  
13 master policy form shall be issued or delivered until they  
14 have met the applicable filing requirements in this state.

15           3. The master policy shall set forth the coverages,  
16 exclusions, and conditions of the insurance provided  
17 therein, together with the terms and conditions of the  
18 agreement between the policyholder and the insurer. The  
19 master policy shall make express provisions for the  
20 following:

- 21           (1) Methods of premium collection;
- 22           (2) Enrollment period, effective date provisions, and  
23 eligibility standards for employees or members;
- 24           (3) Termination of the master policy; and
- 25           (4) Conversion privileges of the employees or members.

26           4. If the master policy provides for remittance of  
27 premium by the policyholder, failure of the policyholder to  
28 remit premiums when due shall not be regarded as nonpayment  
29 of premium by the employee or member who has made his or her  
30 contribution on a timely basis.

379.1806. 1. The master policy shall provide a basic  
2 package of coverages and limits that are available to all  
3 eligible employees or members. The package shall include at  
4 least the minimum coverages and limits of insurance as  
5 required by law in that employee's or member's state of  
6 residence or in the state where the subject property is  
7 located, if applicable. In addition, the master policy may

8 provide additional coverages or limits to be available at an  
9 increased premium to employees or members who qualify under  
10 the terms of the master policy.

11 2. The master policy shall provide coverage for all  
12 eligible employees or members who elect coverage during  
13 their initial period of eligibility, which period shall not  
14 be less than thirty-one days. Employees or members who do  
15 not elect coverage during the initial period and later  
16 request coverage shall be subject to the insurer's  
17 underwriting standards.

18 3. Coverage under the master policy may be reduced  
19 only as to all members of a class and shall never be reduced  
20 to a level below the limits required by applicable law.

21 4. Coverage under the master policy may be terminated  
22 as to an employee or member only for:

23 (1) Failure of the employee or member to make required  
24 premium contributions;

25 (2) Termination of the master policy in its entirety  
26 or as to the class to which the employee or member belongs;

27 (3) Discontinuance of the employee's or member's  
28 membership in a class eligible for coverage; or

29 (4) Termination of employment or membership.

30 5. If optional coverages or limits are available by  
31 law in an employee's or member's state of residence, the  
32 policyholder's acceptance or rejection of the optional  
33 coverages or limits on behalf of the group shall be binding  
34 on the employees or members. If the policyholder rejects  
35 any coverages or limits that are required by law to be  
36 provided unless rejected by the named insured, notice of the  
37 rejection shall be given to the employees or members at or  
38 before the time their certificates of coverage are delivered.



39           6. Stacking of coverages or limits among separate  
40 certificates of insurance is prohibited under a master  
41 policy of group personal lines property and casualty  
42 insurance; except that, if separate certificates under the  
43 same master policy are issued to relatives living in the  
44 same household, the state law pertaining to stacking of  
45 individual policies shall apply to those certificates.

          379.1809. 1. No master policy or certificate of  
2 insurance shall be issued or delivered in this state unless  
3 the rating plan and amendments thereto used in the  
4 determination of the master policy premium have met the  
5 applicable filing requirements in this state.

6           2. Group insurance premium rates shall not be deemed  
7 unfairly discriminatory if adjusted to reflect past and  
8 prospective loss experience or group expense factors or if  
9 averaged broadly among persons insured under the master  
10 policy. Nor shall such rates be deemed to be unfairly  
11 discriminatory if they do not reflect individual rating  
12 factors, including surcharges and discounts required for  
13 individual personal lines property and casualty insurance  
14 policies.

15           3. Experience refunds or dividends may be paid to the  
16 policyholder of a group personal lines property and casualty  
17 insurance policy if the insurer's experience under that  
18 policy justifies experience refunds or dividends. However,  
19 if an experience refund or dividend is declared, it shall be  
20 applied by the policyholder for the sole benefit of the  
21 insured employees or members to the extent that the  
22 experience refund or dividend exceeds the policyholder's  
23 contribution to premium for the period covered by such  
24 experience refund or dividend.

379.1812. 1. An insurer issuing or delivering group  
2 personal lines property and casualty insurance shall  
3 maintain separate statistics as to the loss and expense  
4 experience pertinent thereto.

5 2. No insurer shall issue or deliver a group personal  
6 lines property and casualty insurance policy if it is a  
7 condition of employment or of membership in a group that any  
8 employee or member purchase insurance pursuant to the policy  
9 or if any employee or member shall be subject to any penalty  
10 by reason of his or her non-participation.

11 3. (1) No insurer shall issue or deliver a group  
12 personal lines property and casualty insurance policy if:

13 (a) The purchase of insurance available under the  
14 policy is contingent upon the purchase of any other  
15 insurance, product, or service; or

16 (b) The purchase or price of any other insurance,  
17 product, or service is contingent upon the purchase of  
18 insurance available under the group personal lines property  
19 and casualty insurance policy.

20 (2) Subdivision (1) of this subsection shall not be  
21 deemed to prohibit the reasonable requirement of safety  
22 devices, such as heat detectors, lightning rods, theft  
23 prevention equipment and the like. Neither shall  
24 subdivision (1) of this subsection be deemed to prohibit the  
25 marketing of "package" or "combination" policies.

26 4. The insurer's experience from its group personal  
27 lines property and casualty insurance policies shall be  
28 included in the determination of the insurer's participation  
29 in the applicable residual market plans.

30 5. For purposes of premium taxes, the insurer shall  
31 allocate premiums in accordance with the rules applicable to  
32 individual personal lines property and casualty insurance

33 policies, except that any required allocation may be based  
34 on an annual survey of insureds. Premiums shall be  
35 apportioned among states without differentiation between  
36 policyholder or employee or member contributions.

379.1815. 1. No person shall act in this state as an  
2 insurance agent or broker in connection with the  
3 solicitation, negotiation, or sale of a group personal lines  
4 property and casualty insurance policy unless the person is  
5 duly licensed under sections 375.012 to 375.146 as an  
6 insurance producer for the applicable lines of insurance.  
7 However, none of the following activities engaged in by the  
8 insurer or its employees, or the policyholder or its  
9 employees, shall require the licensing of such entities or  
10 persons as insurance producers:

11 (1) Endorsement or recommendation of the master policy  
12 to employees or members;

13 (2) Distribution to employees or members, by mail or  
14 otherwise, of information pertaining to the master policy;

15 (3) Collection of contributions toward premium through  
16 payroll deductions or other appropriate means and remittance  
17 of the premium to an insurer; or

18 (4) Receipt of reimbursement from an insurer for  
19 actual, reasonable expenses incurred for administrative  
20 services that would otherwise be performed by the insurer  
21 with respect to the master policy. However, nothing herein  
22 shall supersede any applicable law or regulation that  
23 prohibits or regulates splitting of commissions with  
24 unlicensed persons, or rebating commissions or premiums.

25 2. No countersignature requirements shall apply to a  
26 group personal lines property and casualty insurance policy  
27 that is issued or delivered in this state pursuant to the  
28 provisions of sections 379.1800 to 379.1824.

379.1818. 1. Each employee or member covered under  
2 the master policy whose coverage thereunder terminates for  
3 any reason other than the failure to make required  
4 contributions toward premiums or at the request of the  
5 employee or member, shall receive from the insurer thirty  
6 days prior written notice of termination or ineligibility.  
7 The notice shall state the reasons for discontinuance of  
8 coverage under the master policy and shall explain the  
9 employee's or member's options for conversion to an  
10 individual policy.

11 2. If, within thirty days after receipt of notice of  
12 termination or ineligibility, application is made and the  
13 first premium is paid to the insurer, the employee or member  
14 shall be entitled to have issued to him or her by the  
15 insurer, or an affiliate within the same group of insurers,  
16 an individual policy, effective upon termination or  
17 ineligibility, with coverages and limits at least equal to  
18 the minimum coverages and limits of insurance as required by  
19 the applicable state law.

20 3. No individual notice of termination as provided in  
21 subsection 1 of this section and no conversion privilege as  
22 provided in subsection 2 of this section shall be required  
23 if the master policy is replaced by another master policy  
24 within thirty days. Coverage under the prior master policy  
25 shall terminate when the replacement master policy becomes  
26 effective.

379.1821. 1. No master policy or certificate of  
2 insurance shall be issued or delivered in this state unless  
3 issued or delivered by an insurer which is duly licensed in  
4 this state to write the lines of insurance covered by the  
5 master policy or is an eligible nonadmitted insurer pursuant  
6 to section 384.021.

7           2. The provisions of sections 379.1800 to 379.1824  
8 shall not apply to the mass marketing or any other type of  
9 marketing of individual personal lines property and casualty  
10 insurance policies.

11           3. Sections 379.1800 to 379.1824 shall not apply to  
12 policies of credit property or credit casualty insurance  
13 that insure the debtors of a creditor or creditors with  
14 respect to their indebtedness.

15           4. Sections 379.1800 to 379.1824 shall not apply to  
16 policies of personal automobile insurance or personal motor  
17 vehicle liability insurance, nor shall such sections be  
18 construed as authorizing the sale or issuance of personal  
19 automobile insurance or personal motor vehicle liability  
20 insurance under a group or master policy within this state.

21           5. Sections 379.1800 to 379.1812 shall not apply to  
22 policies issued by a nonadmitted insurer pursuant to chapter  
23 384.

24           6. Nothing in sections 379.1800 to 379.1824 shall  
25 limit the authority of the director with respect to  
26 complaints or disputes involving residents of this state  
27 arising out of a master policy that has been issued or  
28 delivered in another state.

29           7. The director may promulgate rules as necessary to  
30 implement and administer the provisions of sections 379.1800  
31 to 379.1824. Any rule or portion of a rule, as that term is  
32 defined in section 536.010, that is created under the  
33 authority delegated in this section shall become effective  
34 only if it complies with and is subject to all of the  
35 provisions of chapter 536 and, if applicable, section  
36 536.028. This section and chapter 536 are nonseverable and  
37 if any of the powers vested with the general assembly  
38 pursuant to chapter 536 to review, to delay the effective

39 date, or to disapprove and annul a rule are subsequently  
40 held unconstitutional, then the grant of rulemaking  
41 authority and any rule proposed or adopted after August 28,  
42 2021, shall be invalid and void.

379.1824. The provisions of sections 379.1800 to  
2 379.1824 shall become effective January 1, 2022. No master  
3 policy or certificate of insurance shall be issued or  
4 delivered in this state after the effective date unless  
5 issued or delivered in compliance with sections 379.1800 to  
6 379.1824. A master policy or certificate that is lawfully  
7 in effect on January 1, 2022, shall comply with the  
8 provisions of sections 379.1800 to 379.1824 within twelve  
9 months of such date.

382.010. As used in sections 382.010 to 382.300, the  
2 following words and terms have the meanings indicated unless  
3 the context clearly requires otherwise:

4 (1) An "affiliate" of, or person "affiliated" with, a  
5 specific person, is a person that directly, or indirectly  
6 through one or more intermediaries, controls, or is  
7 controlled by, or is under common control with, the person  
8 specified;

9 (2) "Control", "controlling", "controlled by", or  
10 "under common control with", the possession, direct or  
11 indirect, of the power to direct or cause the direction of  
12 the management and policies of a person, whether through the  
13 ownership of voting securities, by contract other than a  
14 commercial contract for goods or nonmanagement services, or  
15 otherwise, unless the power is the result of an official  
16 position with or corporate office held by the person.  
17 Control shall be presumed to exist if any person, directly  
18 or indirectly, owns, controls, holds with power to vote, or  
19 holds proxies representing, ten percent or more of the

20 voting securities of any other person. This presumption may  
21 be rebutted by a showing made in the manner provided by  
22 section 382.170 that control does not exist in fact. The  
23 director may determine, after furnishing all persons in  
24 interest notice and opportunity to be heard and making  
25 specific findings of fact to support such determination,  
26 that control exists in fact, notwithstanding the absence of  
27 a presumption to that effect;

28 (3) "Director", the director of the department of  
29 commerce and insurance, his or her deputies, or the  
30 department of commerce and insurance, as appropriate;

31 (4) "Enterprise risk", any activity, circumstance,  
32 event, or series of events involving one or more affiliates  
33 of an insurer that, if not remedied promptly, is likely to  
34 have a material adverse effect upon the financial condition  
35 or liquidity of the insurer or its insurance holding company  
36 system as a whole including, but not limited to, anything  
37 that would cause the insurer's risk-based capital to fall  
38 into company action level as set forth in section 375.1255  
39 or would cause the insurer to be in hazardous financial  
40 condition as set forth in section 375.539;

41 (5) "Groupwide supervisor", the regulatory official  
42 authorized to engage in conducting and coordinating  
43 groupwide supervisory activities who is determined or  
44 acknowledged by the director, under section 382.227, to have  
45 sufficient significant contacts with the internationally  
46 active insurance group;

47 (6) "Insurance holding company system", two or more  
48 affiliated persons, one or more of which is an insurer;

49 (7) "Insurer", an insurance company as defined in  
50 section 375.012, including a reciprocal or interinsurance  
51 exchange, and which is qualified and licensed by the

52 department of commerce and insurance of Missouri to transact  
53 the business of insurance in this state; but it shall not  
54 include any company organized and doing business under  
55 chapter 377, 378, or 380, agencies, authorities, or  
56 instrumentalities of the United States, its possessions and  
57 territories, the Commonwealth of Puerto Rico, the District  
58 of Columbia, or a state or political subdivision of a state;

59 (8) "Internationally active insurance group", an  
60 insurance holding company system that includes an insurer  
61 registered under sections 382.100 to 382.180, and meets the  
62 following criteria:

63 (a) Premiums written in at least three countries;

64 (b) The percentage of gross premiums written outside  
65 the United States is at least ten percent of the insurance  
66 holding company system's total gross written premiums; and

67 (c) Based on a three-year rolling average, the total  
68 assets of the insurance holding company system are at least  
69 fifty billion dollars, or the total gross written premiums  
70 of the insurance holding company system are at least ten  
71 billion dollars;

72 (9) **"NAIC", the National Association of Insurance  
73 Commissioners;**

74 (10) **"National Association of Insurance Commissioners  
75 (NAIC) group capital calculation instructions", the group  
76 capital calculation instructions as adopted by the NAIC and  
77 as amended by the NAIC from time to time in accordance with  
78 the procedures adopted by the NAIC;**

79 (11) **"NAIC liquidity stress test framework", a  
80 separate NAIC publication that includes a history of the  
81 NAIC's development of regulatory liquidity stress testing,  
82 the scope criteria applicable for a specific data year, and  
83 the liquidity stress test instructions, and reporting such**



84 **scope criteria, instructions and reporting template being as**  
85 **adopted by the NAIC and as amended by the NAIC from time to**  
86 **time in accordance with procedures adopted by the NAIC;**

87 (12) "Person", an individual, corporation, limited  
88 liability company, partnership, association, joint stock  
89 company, trust, unincorporated organization, or any similar  
90 entity, or any combination of the foregoing acting in  
91 concert, but shall not include any joint venture partnership  
92 exclusively engaged in owning, managing, leasing, or  
93 developing real or tangible personal property;

94 (13) "Scope criteria", as detailed in the NAIC  
95 liquidity stress test framework, the designated exposure  
96 bases along with minimum magnitudes of such exposure bases  
97 for the specified data year used to establish a preliminary  
98 list of insurers considered scoped into the NAIC liquidity  
99 stress test framework for that data year;

100 [(10)] (14) A "securityholder" of a specified person  
101 is one who owns any security of that person, including  
102 common stock, preferred stock, debt obligations, and any  
103 other security convertible into or evidencing the right to  
104 acquire any of the foregoing;

105 [(11)] (15) A "subsidiary" of a specified person is an  
106 affiliate controlled by that person directly, or indirectly  
107 through one or more intermediaries;

108 [(12)] (16) The term "voting security" includes any  
109 security convertible into or evidencing a right to acquire a  
110 voting security.

382.110. 1. Every insurer subject to registration  
2 shall file a registration statement on a form provided by  
3 the director containing current information about:

4           (1) The capital structure, general financial  
5 condition, ownership and management of the insurer and any  
6 person controlling the insurer;

7           (2) The identity of every member of the insurance  
8 holding company system;

9           (3) The following agreements in force, relationships  
10 subsisting, and transactions currently outstanding between  
11 the insurer and its affiliates:

12           (a) Loans, other investments, or purchases, sales or  
13 exchanges of securities of the affiliates by the insurer or  
14 of the insurer by its affiliates;

15           (b) Purchases, sales, or exchanges of assets;

16           (c) Transactions not in the ordinary course of  
17 business;

18           (d) Guarantees or undertakings for the benefit of an  
19 affiliate which result in an actual contingent exposure of  
20 the insurer's assets to liability, other than insurance  
21 contracts entered into in the ordinary course of the  
22 insurer's business;

23           (e) All management and service contracts and all cost-  
24 sharing arrangements; [and]

25           (f) Reinsurance agreements;

26           (g) Dividends and other distributions to shareholders;  
27 and

28           (h) Consolidated tax allocation agreements;

29           (4) Any pledge of the insurer's stock, including stock  
30 of any subsidiary or controlling affiliate, for a loan made  
31 to any member of the insurance holding company system;

32           (5) Financial statements of or within an insurance  
33 holding company system, including all affiliates, if  
34 requested by the director. Financial statements may  
35 include, but are not limited to, annual audited financial

36 statements filed with the United States Securities and  
37 Exchange Commission (SEC) under the Securities Act of 1933,  
38 as amended, or the Securities Exchange Act of 1934, as  
39 amended. An insurer required to file financial statements  
40 under this subdivision may satisfy such requirement by  
41 providing the director with the most recently filed parent  
42 corporation financial statements that have been filed with  
43 the SEC;

44 (6) Statements that the insurer's board of directors  
45 oversees corporate governance and internal controls and that  
46 the insurer's officers or senior management have approved,  
47 implemented, and continue to maintain and monitor corporate  
48 governance and internal control procedures;

49 (7) Other matters concerning transactions between  
50 registered insurers and any affiliates as may be included  
51 from time to time in any registration forms adopted or  
52 approved by the director; and

53 (8) Any other information required by the director by  
54 rule.

55 2. All registration statements shall contain a summary  
56 outlining all items in the current registration statement  
57 representing changes from the prior registration statement.

58 3. No information need be disclosed on the  
59 registration statement filed pursuant to subsection 1 of  
60 this section if such information is not material for the  
61 purposes of that subsection. Unless the director by rule,  
62 regulation or order provides otherwise, sales, purchases,  
63 exchanges, loans or extensions of credit, or investments,  
64 involving one-half of one percent or less of an insurer's  
65 admitted assets as of the thirty-first day of December next  
66 preceding shall not be deemed material for purposes of  
67 subsection 1 of this section. **The definition of**

68 "materiality" used in this subsection shall not apply to the  
69 group capital calculation or the liquidity stress test  
70 framework.

71 4. Any person within an insurance holding company  
72 system subject to registration shall be required to provide  
73 complete and accurate information to an insurer, where such  
74 information is reasonably necessary to enable the insurer to  
75 comply with the provisions of sections 382.010 to 382.300.

382.176. 1. Except as provided in subdivisions (1) to  
2 (7) of this section, the ultimate controlling person of  
3 every insurer subject to registration shall file an annual  
4 group capital calculation as directed by the lead state  
5 director. The report shall be completed in accordance with  
6 the NAIC group capital calculation instructions, which may  
7 permit the lead state director to allow a controlling person  
8 who is not the ultimate controlling person to file the group  
9 capital calculation. The report shall be filed with the  
10 lead state director of the insurance holding company system  
11 as determined by the director in accordance with the  
12 procedures within the Financial Analysis Handbook adopted by  
13 the NAIC. The following insurance holding company systems  
14 are exempt from filing the group capital calculation:

15 (1) An insurance holding company system that has only  
16 one insurer within its holding company structure, that only  
17 writes business and is only licensed in its domestic state,  
18 and assumes no business from any other insurer;

19 (2) An insurance holding company system that is  
20 required to perform a group capital calculation specified by  
21 the United States Federal Reserve Board. The lead state  
22 director shall request the calculation from the Federal  
23 Reserve Board under the terms of information sharing  
24 agreements in effect. If the Federal Reserve Board cannot

25 share the calculation with the lead state director, the  
26 insurance holding company system is not exempt from the  
27 group capital calculation filing;

28 (3) An insurance holding company system whose non-U.S.  
29 group-wide supervisor is located within a reciprocal  
30 jurisdiction as described in section 375.246 that recognizes  
31 the U.S. state regulatory approach to group supervision and  
32 group capital; and

33 (4) An insurance holding company system:

34 (a) That provides information to the lead state that  
35 meets the requirements for accreditation under the NAIC  
36 financial standards and accreditation program, either  
37 directly or indirectly through the group-wide supervisor,  
38 who has determined such information is satisfactory to allow  
39 the lead state to comply with the NAIC group supervision  
40 approach, as detailed in the Financial Analysis Handbook  
41 adopted by the NAIC; and

42 (b) Whose non-U.S. group-wide supervisor who is not in  
43 a reciprocal jurisdiction recognizes and accepts, as  
44 specified by the director in regulation, the group capital  
45 calculation as the worldwide group capital assessment for  
46 U.S. insurance groups that operate in that jurisdiction.

47 2. Notwithstanding the provisions of subdivisions (3)  
48 and (4) of subsection 1 of this section, a lead state  
49 director shall require the group capital calculation for  
50 U.S. operations of any non-U.S. based insurance holding  
51 company system where, after any necessary consultation with  
52 other supervisors or officials, it is deemed appropriate by  
53 the lead state director for prudential oversight and  
54 solvency monitoring purposes or for ensuring the  
55 competitiveness of the insurance marketplace.

56           3. Notwithstanding the exemptions from filing the  
57 group capital calculation stated in subdivisions (1) to (4)  
58 of subsection 1 of this section, the lead state director has  
59 the discretion to exempt the ultimate controlling person  
60 from filing the annual group capital calculation or to  
61 accept a limited group capital filing or report in  
62 accordance with criteria as specified in regulations  
63 promulgated by the director.

64           4. If the lead state director determines that an  
65 insurance holding company system no longer meets one or more  
66 of the requirements for an exemption from filing the group  
67 capital calculation under this section, the insurance  
68 holding company system shall file the group capital  
69 calculation at the next annual filing date unless given an  
70 extension by the lead state director based on reasonable  
71 grounds shown.

          382.177. The ultimate controlling person of every  
2 insurer subject to registration and also scoped into the  
3 NAIC liquidity stress test framework shall file the results  
4 of a specific year's liquidity stress test. The filing  
5 shall be made to the lead state insurance director of the  
6 insurance holding company system as determined by the  
7 procedures within the Financial Analysis Handbook adopted by  
8 the NAIC:

9           (1) The NAIC liquidity stress test framework includes  
10 scope criteria applicable to a specific data year. These  
11 scope criteria are reviewed at least annually by the NAIC's  
12 financial stability task force or its successor. Any change  
13 to the NAIC liquidity stress test framework or to the data  
14 year for which the scope criteria are to be measured shall  
15 be effective on January first of the year following the  
16 calendar year in which such changes are adopted. Insurers

17 meeting at least one threshold of the scope criteria are  
18 considered scoped into the NAIC liquidity stress test  
19 framework for the specified data year unless the lead state  
20 insurance director, in consultation with the NAIC financial  
21 stability task force or its successor, determines the  
22 insurer shall not be scoped into the framework for that data  
23 year. Similarly, insurers that do not trigger at least one  
24 threshold of the scope criteria are considered scoped out of  
25 the NAIC liquidity stress test framework for the specified  
26 data year unless the lead state insurance director, in  
27 consultation with the NAIC financial stability task force or  
28 its successor, determines the insurer shall be scoped into  
29 the framework for that data year. Regulators wish to avoid  
30 having insurers scoped into and out of the NAIC liquidity  
31 stress test framework on a frequent basis, the lead state  
32 insurance director, in consultation with the financial  
33 stability task force or its successor, shall assess this  
34 concern as part of the determination for an insurer.

35 (2) The performance of, and filing of the results  
36 from, a specific year's liquidity stress test shall comply  
37 with the NAIC liquidity stress test framework's instructions  
38 and reporting templates for that year and any lead state  
39 insurance director determinations, in conjunction with the  
40 financial stability task force or its successor, provided  
41 within the framework.

382.230. 1. All information, documents and copies  
2 thereof in the possession or control of the director that  
3 are obtained by or disclosed to the director or any other  
4 person in the course of an examination or investigation made  
5 under section 382.220 and all information reported or  
6 provided to the director under subdivisions (13) and (14) of  
7 subsection 1 of section 382.050, sections 382.100 to

8 382.210, and section 382.227 **are considered proprietary and**  
9 **to contain trade secrets and** shall be given confidential  
10 treatment and privileges; shall not be subject to the  
11 provisions of chapter 610; shall not be subject to subpoena;  
12 shall not be made public by the director, the National  
13 Association of Insurance Commissioners, or any other person,  
14 except to the chief insurance regulatory official of other  
15 states; and shall not be subject to discovery or admissible  
16 as evidence in any private civil action. However, the  
17 director is authorized to use the documents, materials, or  
18 other information in furtherance of any regulatory or legal  
19 action brought as a part of the director's official duties.  
20 The director shall not otherwise make the documents,  
21 materials, or other information public without the prior  
22 written consent of the insurer to which it pertains unless  
23 the director, after giving the insurer and its affiliates  
24 who would be affected thereby, notice and opportunity to be  
25 heard, determines that the interests of policyholders,  
26 shareholders or the public will be served by the publication  
27 thereof, in which event the director may publish all or any  
28 part thereof in such manner as he or she may deem  
29 appropriate.

30 **(1) For purposes of the information reported and**  
31 **provided to the department of commerce and insurance under**  
32 **section 382.176, the director shall maintain the**  
33 **confidentiality of the group capital calculation and group**  
34 **capital ratio produced within the calculation and any group**  
35 **capital information received from an insurance holding**  
36 **company supervised by the Federal Reserve Board or any U.S.**  
37 **group-wide supervisor.**

38 **(2) For purposes of the information reported and**  
39 **provided to the department of commerce and insurance under**



40 **section 382.177, the director shall maintain the**  
41 **confidentiality of the liquidity stress test results and**  
42 **supporting disclosures and any liquidity stress test**  
43 **information received from an insurance holding company**  
44 **supervised by the Federal Reserve Board and non-U.S. group-**  
45 **wide supervisors.**

46         2. Neither the director nor any person who receives  
47 documents, materials, or other information while acting  
48 under the authority of the director or with whom such  
49 documents, materials, or other information is shared under  
50 sections 382.010 to 382.300 shall be permitted or required  
51 to testify in any private civil action concerning any  
52 confidential documents, materials, or other information  
53 subject to subsection 1 of this section.

54         3. In order to assist in the performance of the  
55 director's duties, the director:

56         (1) May share documents, materials, or other  
57 information including the confidential and privileged  
58 documents, materials, or other information subject to  
59 subsection 1 of this section, **including proprietary and**  
60 **trade secret documents and materials**, with other state,  
61 federal, and international financial regulatory agencies,  
62 with the National Association of Insurance Commissioners  
63 [and its affiliates and subsidiaries], **with any third-party**  
64 **consultants designated by the director**, and with state,  
65 federal, and international law enforcement authorities  
66 including members of any supervisory college described in  
67 section 382.225; provided that the recipient agrees in  
68 writing to maintain the confidentiality and privileged  
69 status of such documents, materials, or other information,  
70 and has verified in writing the legal authority to maintain  
71 confidentiality;

72           (2) Notwithstanding the provisions of subsection 1 of  
73 this section and subdivision (1) of this subsection, may  
74 share confidential and privileged documents, materials, or  
75 other information reported under section 382.175 only with  
76 the directors of states having statutes or regulations  
77 substantially similar to subsection 1 of this section and  
78 who have agreed in writing not to disclose such information;

79           (3) May receive documents, materials, or other  
80 information including otherwise confidential and privileged  
81 documents, materials, or information, **including proprietary**  
82 **and trade secret information**, from the National Association  
83 of Insurance Commissioners and its affiliates and  
84 subsidiaries and from regulatory and law enforcement  
85 officials of other foreign or domestic jurisdictions, and  
86 shall maintain as confidential or privileged any documents,  
87 materials, or other information received with notice or the  
88 understanding that it is confidential or privileged under  
89 the laws of the jurisdiction that is the source of the  
90 document, material, or other information; and

91           (4) Shall enter into a written agreement with the  
92 National Association of Insurance Commissioners **and any**  
93 **third-party consultant designated by the director** governing  
94 sharing and use of information provided under sections  
95 382.010 to 382.300 consistent with this subsection that  
96 shall:

97           (a) Specify procedures and protocols regarding the  
98 confidentiality and security of information shared with the  
99 National Association of Insurance Commissioners [and its  
100 affiliates and subsidiaries] **or a third-party consultant**  
101 **designated by the director** under sections 382.010 to 382.300  
102 including procedures and protocols for sharing by the  
103 National Association of Insurance Commissioners with other

104 state, federal, and international regulators. **The agreement**  
105 **shall provide that the recipient agrees, in writing, to**  
106 **maintain the confidentiality and privileged status of the**  
107 **documents, materials, or other information and has verified,**  
108 **also in writing, the legal authority to maintain such**  
109 **confidentiality;**

110 (b) Specify that ownership of information shared with  
111 the National Association of Insurance Commissioners [and its  
112 affiliates and subsidiaries] **or a third-party consultant as**  
113 **designated by the director** under sections 382.010 to 382.300  
114 remains with the director and that the National Association  
115 of Insurance Commissioners' **or third-party consultant's, as**  
116 **designated by the director,** use of such information is  
117 subject to the direction of the director;

118 (c) **Excluding documents, material, or information**  
119 **reported pursuant to section 382.177, prohibit the NAIC or a**  
120 **third-party consultant designated by the director from**  
121 **storing the information shared under sections 382.010 to**  
122 **382.300 in a permanent database after the underlying**  
123 **analysis is completed;**

124 (d) Require prompt notice to be given to an insurer  
125 whose confidential information in the possession of the  
126 National Association of Insurance Commissioners **or a third-**  
127 **party consultant designated by the director,** under sections  
128 382.010 to 382.300 is subject to a request or subpoena to  
129 the National Association of Insurance Commissioners **or a**  
130 **third-party consultant designated by the director,** for  
131 disclosure or production; [and

132 (d)] (e) Require the National Association of Insurance  
133 Commissioners [and its affiliates and subsidiaries] **or third-**  
134 **party consultant as designated by the director** to consent to  
135 intervention by an insurer in any judicial or administrative

136 action in which the National Association of Insurance  
137 Commissioners [and its affiliates and subsidiaries] **or third-**  
138 **party consultant as designated by the director** may be  
139 required to disclose confidential information about the  
140 insurer shared with the National Association of Insurance  
141 Commissioners **or a third-party consultant designated by the**  
142 **director**, and its affiliates and subsidiaries under sections  
143 382.010 to 382.300; and

144 (f) **For documents, material, or information reporting**  
145 **under section 382.177, in the case of an agreement involving**  
146 **a third-party consultant designated by the director, provide**  
147 **for notification of the identity of the consultant to the**  
148 **applicable insurers.**

149 4. The sharing of information by the director under  
150 sections 382.010 to 382.300 shall not constitute a  
151 delegation of regulatory or rulemaking authority, and the  
152 director is solely responsible for the administration,  
153 execution, and enforcement of the provisions of sections  
154 382.010 to 382.300.

155 5. No waiver of any applicable privilege or claim of  
156 confidentiality in the documents, materials, or other  
157 information shall occur as a result of disclosure of such  
158 documents, materials, or other information to the director  
159 under this section or as a result of sharing as authorized  
160 in sections 382.010 to 382.300.

161 6. Documents, materials, or other information in the  
162 possession or control of the National Association of  
163 Insurance Commissioners **or a third-party consultant**  
164 **designated by the director** under sections 382.010 to 382.300  
165 shall be confidential by law and privileged, shall not be  
166 subject to disclosure under chapter 610, shall not be

167 subject to subpoena, and shall not be subject to discovery  
168 or admissible in evidence in any private civil action.

169       7. The group capital calculation and resulting group  
170 capital ratio required under section 382.176 and the  
171 liquidity stress test along with its results and supporting  
172 disclosures required under section 382.177 are regulatory  
173 tools for assessing group risks and capital adequacy and  
174 group liquidity risks, respectively, and are not intended as  
175 a means to rank insurers or insurance holding company  
176 systems generally. Therefore, except as otherwise may be  
177 required under sections 382.010 to 382.300, the making,  
178 publishing, disseminating, circulating, or placing before  
179 the public, or causing directly or indirectly to be made,  
180 published, disseminated, circulated, or placed before the  
181 public in a newspaper, magazine, or other publication, or in  
182 the form of a notice, circular, pamphlet, letter, or poster,  
183 or over any radio or television station or any electronic  
184 means of communication available to the public, or in any  
185 other way as an advertisement, announcement, or statement  
186 containing a representation or statement with regard to the  
187 group capital calculation, group capital ratio, the  
188 liquidity stress test results, or supporting disclosures for  
189 the liquidity stress test of any insurer or any insurer  
190 group, or of any component derived in the calculation by any  
191 insurer, broker, or other person engaged in any manner in  
192 the insurance business, would be misleading and is therefore  
193 prohibited; provided, however, that if any materially false  
194 statement with respect to the group capital calculation,  
195 resulting group capital ratio, an inappropriate comparison  
196 of any amount to an insurer's or insurance group's group  
197 capital calculation or resulting group capital ratio,  
198 liquidity stress test result, supporting disclosures for the

199 liquidity stress test, or an inappropriate comparison of any  
200 amount to an insurer's or insurance group's liquidity stress  
201 test result or supporting disclosures is published in any  
202 written publication and the insurer is able to demonstrate  
203 to the director with substantial proof the falsity of such  
204 statement or the inappropriateness, as the case may be, then  
205 the insurer may publish announcements in a written  
206 publication if the sole purpose of the announcement is to  
207 rebut the materially false statement.

384.043. 1. No insurance producer shall procure any  
2 contract of surplus lines insurance with any nonadmitted  
3 insurer, unless he possesses a current surplus lines  
4 insurance license issued by the director.

5 2. The director shall issue a surplus lines license to  
6 any qualified holder of a current resident or nonresident  
7 property and casualty insurance producer license but only  
8 when the licensee has:

9 (1) Remitted the one hundred dollar initial fee to the  
10 director;

11 (2) Submitted a completed license application on a  
12 form supplied by the director; and

13 (3) Passed a qualifying examination approved by the  
14 director, except that all holders of a license prior to July  
15 1, 1987, shall be deemed to have passed such an examination.

16 3. Each surplus lines license shall be renewed for a  
17 term of two years on the [biennial anniversary] **birth** date  
18 of [issuance] **the licensee** and continue in effect until  
19 refused, revoked or suspended by the director in accordance  
20 with section 384.065; except that if the biennial renewal  
21 fee for the license is not paid on or before the  
22 [anniversary] **birth date of the licensee**, the license  
23 terminates. The biennial renewal fee is one hundred dollars.

24           4. Beginning on or before July 1, 2012, the director  
25 shall participate in the national insurance producer  
26 database of the National Association of Insurance  
27 Commissioners, or any other equivalent uniform national  
28 database, for the licensure of surplus lines licensees and  
29 the renewal of such licenses.

30           5. Notwithstanding any other provision of this  
31 chapter, a person selling, soliciting, or negotiating  
32 nonadmitted insurance with respect to an insured shall be  
33 required to obtain or possess a current surplus lines  
34 insurance license issued by the director only if this state  
35 is such insured's home state.

36           **6. The director may promulgate rules using the**  
37 **authority granted under section 375.045 to assist in the**  
38 **implementation of this section, including prorating**  
39 **licensure periods so that all renewals after January 1,**  
40 **2022, shall occur biennially on a licensee's birth date.**

          385.220. 1. The provisions of sections 385.200 to  
2 385.220 shall not apply to:

- 3           (1) Warranties;
- 4           (2) Maintenance agreements;
- 5           (3) Commercial transactions; [and]
- 6           (4) Service contracts sold or offered for sale to  
7 persons other than consumers; **or**

8           **(5) Motor club contracts, as defined in section**  
9 **385.450.**

10           2. Manufacturer's contracts on the manufacturer's  
11 products need only comply with the provisions of sections  
12 385.206, 385.208, and 385.216.

          385.320. 1. Sections 385.300 to 385.320 shall not  
2 apply to:

- 3           (1) Warranties;

4 (2) Maintenance agreements;

5 (3) Warranties, service contracts, or maintenance  
6 agreements offered by public utilities on their transmission  
7 devices to the extent they are regulated under the laws of  
8 this state;

9 (4) Service contracts sold or offered for sale to  
10 persons other than consumers;

11 (5) Service contracts sold or offered to nonresidents  
12 of this state regardless of whether the entity selling or  
13 offering such contracts is located or doing business in this  
14 state;

15 (6) Motor vehicle extended service contracts, as  
16 defined in section 385.200; [and]

17 (7) **Motor club contracts, as defined in section**  
18 **385.450; or**

19 (8) Agreements or warranties which provide for the  
20 service, repair, replacement, or maintenance of the systems,  
21 appliances, and structural components of residential or  
22 commercial real property.

23 2. Manufacturer's service contracts on the  
24 manufacturer's products need only comply with the provisions  
25 of sections 385.306, 385.308, and 385.316.

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

3 (1) **"Motor club", a legal entity that, in**  
4 **consideration of dues, assessments, or periodic payments of**  
5 **moneys, promises to provide motor club services to its**  
6 **members or subscribers;**

7 (2) **"Motor club contract", an agreement whereby a**  
8 **motor club promises to render, furnish, or procure motor**  
9 **club services to or for its members or subscribers;**



10           (3) "Motor club services", services that assist a  
11 member or subscriber of a motor club in matters relating to  
12 motor travel or the operation, use, or maintenance of a  
13 motor vehicle by supplying services that may include, but  
14 are not limited to, towing service, emergency road service,  
15 bail and guaranteed arrest bond certificate service,  
16 discount service, theft service, map service, touring  
17 service, legal fee reimbursement service in the defense of  
18 traffic offenses, and participation in an accident and  
19 sickness or accidental death insurance benefit program  
20 issued by an insurance company authorized to do business in  
21 this state.

22           2. Fees collected from the sale of motor club  
23 contracts shall not be subject to taxation of premiums under  
24 chapter 148.

25           3. Motor clubs complying with the provisions of this  
26 section shall not be required to comply with the provisions  
27 of chapter 374 or 375, or any other provisions governing  
28 insurance companies, except as specifically provided.

✓