

FIRST REGULAR SESSION

HOUSE BILL NO. 698

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES ERVIN, BEARDEN, LAGER, MYERS, CUNNINGHAM (145), STEVENSON, ICET, DETHROW (Co-sponsors), LEMBKE, RICHARD, ROARK, ENGLER, BROWN, LUETKEMEYER, TAYLOR, DIXON, COOPER (120), DEMPSEY, HOBBS, PEARCE, PRATT, BAKER, BEHNEN, KRATKY, DUSENBERG, WILSON (130) AND HUNTER.

Read 1st time March 19, 2003, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

2131L.011

AN ACT

To repeal sections 374.150, 375.020, 375.994, 376.1005, 379.943, and 381.118, RSMo, and to enact in lieu thereof six new sections relating to the abolishment of the department of insurance dedicated fund, with an emergency clause.

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

Section A. Sections 374.150, 375.020, 375.994, 376.1005, 379.943, and 381.118, RSMo, are repealed and six new sections enacted in lieu thereof, to be known as sections 374.150, 375.020, 375.994, 376.1005, 379.943, and 381.118, to read as follows:

374.150. 1. All fees due the state under the provisions of the insurance laws of this state shall be paid to the director of revenue and deposited in the state treasury to the credit of the [insurance department fund unless otherwise provided for in subsection 2 of this section] **general revenue fund**.

2. [There is hereby established in the state treasury a special fund to be known as the "Department of Insurance Dedicated Fund". The fund shall be subject to appropriation of the general assembly and shall be devoted solely to the payment of expenditures incurred by the department of insurance attributable to duties performed by the department as required by law which are not paid for by another source of funds. Other provisions of law to the contrary notwithstanding, beginning on January 1, 1991, all fees charged under any provision of chapter 325, 354, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384 or 385, RSMo, due the state shall be paid into this fund. The state treasurer shall invest moneys in this fund in the same

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.

13 manner as other state funds and any interest or earnings on such moneys shall be credited to the
14 department of insurance dedicated fund. The provisions of section 33.080, RSMo,
15 notwithstanding, moneys in the fund shall not lapse, be transferred to or placed to the credit of
16 the general revenue fund unless and then only to the extent to which the unencumbered balance
17 at the close of the biennium year exceeds two times the total amount appropriated, paid, or
18 transferred to the fund during such fiscal year.] **The department of insurance dedicated fund**
19 **is hereby abolished and any and all moneys in the fund on the effective date of this section**
20 **shall be immediately transferred to the credit of the general revenue fund.**

375.020. 1. Beginning January 1, 1990, each insurance producer, unless exempt
2 pursuant to section 375.016, licensed to sell insurance in this state shall successfully complete
3 courses of study as required by this section. Any person licensed to act as an insurance producer
4 shall, during each two years, attend courses or programs of instruction or attend seminars
5 equivalent to a minimum of ten hours of instruction for a life or accident and health license or
6 both a life and an accident and health license and a minimum ten hours of instruction for a
7 property or casualty license or both a property and a casualty license. Sixteen hours of training
8 will suffice for those with a life, health, accident, property and casualty license. Of the sixteen
9 hours' training required above, the hours need not be divided equally. The courses or programs
10 shall include instruction on Missouri law. Course credit shall be given to members of the general
11 assembly as determined by the department.

12 2. Subject to approval by the director, the courses or programs of instruction which shall
13 be deemed to meet the director's standards for continuing educational requirements shall include,
14 but not be limited to, the following:

- 15 (1) American College Courses (CLU, ChFC);
- 16 (2) Life Underwriters Training Council (LUTC);
- 17 (3) Certified Insurance Counselor (CIC);
- 18 (4) Chartered Property and Casualty Underwriter (CPCU);
- 19 (5) Insurance Institute of America (IIA);
- 20 (6) An insurance-related course taught by an accredited college or university or qualified
21 instructor who has taught a course of insurance law at such institution;
- 22 (7) A course or program of instruction or seminar developed or sponsored by any
23 authorized insurer, recognized producer association or insurance trade association. A local
24 producer group may also be approved if the instructor receives no compensation for services.

25 3. A person teaching any approved course of instruction or lecturing at any approved
26 seminar shall qualify for the same number of classroom hours as would be granted to a person
27 taking and successfully completing such course, seminar or program.

28 4. Excess classroom hours accumulated during any two-year period may be carried

29 forward to the two-year period immediately following the two-year period in which the course,
30 program or seminar was held.

31 5. For good cause shown, the director may grant an extension of time during which the
32 educational requirements imposed by this section may be completed, but such extension of time
33 shall not exceed the period of one calendar year. The director may grant an individual waiver
34 of the mandatory continuing education requirement upon a showing by the licensee that it is not
35 feasible for the licensee to satisfy the requirements prior to the renewal date. Waivers may be
36 granted for reasons including, but not limited to:

- 37 (1) Serious physical injury or illness;
- 38 (2) Active duty in the armed services for an extended period of time;
- 39 (3) Residence outside the United States; or
- 40 (4) The licensee is at least seventy years of age.

41 6. Every person subject to the provisions of this section shall furnish in a form
42 satisfactory to the director, written certification as to the courses, programs or seminars of
43 instruction taken and successfully completed by such person. Every provider of continuing
44 education courses authorized in this state shall, within thirty working days of a licensed producer
45 completing its approved course, provide certification to the director of the completion in a format
46 prescribed by the director.

47 7. The provisions of this section shall not apply to those natural persons holding licenses
48 for any kind or kinds of insurance for which an examination is not required by the law of this
49 state, nor shall they apply to any limited lines insurance producer license or restricted license as
50 the director may exempt.

51 8. The provisions of this section shall not apply to a life insurance producer who is
52 limited by the terms of a written agreement with the insurer to transact only specific life
53 insurance policies having an initial face amount of five thousand dollars or less, or annuities
54 having an initial face amount of ten thousand dollars or less, that are designated by the purchaser
55 for the payment of funeral or burial expenses. The director may require the insurer entering into
56 the written agreements with the insurance producers pursuant to this subsection to certify as to
57 the representations of the insurance producers.

58 9. Rules and regulations necessary to implement and administer this section shall be
59 promulgated by the director, including, but not limited to, rules and regulations regarding the
60 following:

- 61 (1) Course content and hour credits: The insurance advisory board established by section
62 375.019 shall be utilized by the director to assist him in determining acceptable content of
63 courses, programs and seminars to include classroom equivalency;
- 64 (2) Filing fees for course approval: Every applicant seeking approval by the director of

65 a continuing education course under this section shall pay to the director a filing fee of fifty
66 dollars per course. Fees shall be waived for state and local insurance producer groups. Such fee
67 shall accompany any application form required by the director. Courses shall be approved for
68 a period of no more than one year. Applicants holding courses intended to be offered for a
69 longer period must reapply for approval. Courses approved by the director prior to August 28,
70 1993, for which continuous certification is sought should be resubmitted for approval sixty days
71 before the anniversary date of the previous approval.

72 10. All funds received pursuant to the provisions of this section shall be transmitted by
73 the director to the department of revenue for deposit in the state treasury to the credit of the
74 [department of insurance dedicated fund. All expenditures necessitated by this section shall be
75 paid from funds appropriated from the department of insurance dedicated fund by the legislature]
76 **general revenue fund.**

375.994. 1. Department investigators shall have the power to serve subpoenas issued
2 for the examination, investigation, and trial of all offenses determined by their investigations.

3 2. It is unlawful for any person to interfere, either by abetting or assisting such resistance
4 or otherwise interfering, with department investigators in the duties imposed upon them by law
5 or department rule.

6 3. Any moneys, or other property which is awarded to the department as costs of
7 investigation, or as a fine, shall be credited to the [department of insurance dedicated fund
8 created by section 374.150, RSMo] **general revenue fund.**

9 4. Nothing in this section shall be construed as prohibiting the department of insurance
10 from regulating unfair or fraudulent trade practices as provided for in sections 375.930 to
11 375.948.

12 5. In the event the director determines that a person regulated under this chapter has
13 conducted its business fraudulently with respect to sections 375.991 to 375.994, or has as a
14 matter of business practice abused its rights under said sections, such conduct shall be considered
15 either an unfair trade practice under the provisions of sections 375.930 to 375.948 or an unfair
16 claims settlement practice under the provisions of sections 375.1000 to 375.1018. The director
17 shall have the power and authority, pursuant to the unfair trade practices act and the unfair claims
18 settlement practices act to subject such persons to the monetary penalty or suspend or revoke
19 such person's license or certificate of authority, under such acts.

376.1005. 1. Application for a certificate of authority shall be made on forms prescribed
2 by the director of the department of insurance. No multiple employer self-insured health plan
3 may hold or obtain a certificate of authority unless it had not less than two hundred fifty covered
4 employees during the preceding calendar quarter.

5 2. Not later than March first of each year, every multiple employer self-insured health

6 plan shall pay to the director a license fee equal to two percent of the Missouri claims paid by
7 the plan during the immediately preceding calendar year. All the funds collected by the director
8 shall be deposited in the [Missouri department of insurance dedicated] **general revenue** fund.

9 3. Within forty-five days from the date coverage commences, the plan shall issue to each
10 covered employee a policy, contract, certificate, summary plan description or other evidence of
11 the benefits and coverages provided. This evidence of the benefits and coverages provided shall
12 contain in boldfaced print in a conspicuous location, the following statement: "The benefits and
13 coverages described herein are provided through a trust fund established and funded by a group
14 of employers. The benefits and coverages are not fully insured by an insurer licensed to do
15 business in the state of Missouri and are therefore not protected by the Missouri Life and Health
16 Guaranty Association".

 379.943. 1. Within one hundred eighty days after the appointment of the initial board,
2 the board shall submit to the director a plan of operation and thereafter any amendments thereto
3 necessary or suitable, to assure the fair, reasonable and equitable administration of the program.
4 The director may, after notice and hearing, approve the plan of operation if the director
5 determines it to be suitable to assure the fair, reasonable and equitable administration of the
6 program, and provides for the sharing of program gains or losses on an equitable and
7 proportionate basis in accordance with the provisions of sections 379.942 and 379.943. The plan
8 of operation shall become effective upon approval in writing by the director.

9 2. If the board fails to submit a suitable plan of operation within one hundred eighty days
10 after its appointment, the director shall, after notice and hearing, promulgate and adopt a
11 temporary plan of operation. The director shall amend or rescind any plan so adopted under this
12 subsection at the time a plan of operation is submitted by the board and approved by the director.

13 3. The plan of operation shall:

14 (1) Establish procedures for handling and accounting of program assets and moneys and
15 for an annual fiscal report to the director;

16 (2) Establish procedures for selecting an administering carrier and setting forth the
17 powers and duties of the administering carrier;

18 (3) Establish procedures for reinsuring risks in accordance with the provisions of
19 sections 379.942 and 379.943;

20 (4) Establish procedures for collecting assessments from reinsuring carriers to fund
21 claims and administrative expenses incurred or estimated to be incurred by the program; and

22 (5) Provide for any additional matters necessary for the implementation and
23 administration of the program.

24 4. The program shall have the general powers and authority granted under the laws of
25 this state to insurance companies and health maintenance organizations licensed to transact

26 business, except the power to issue health benefit plans directly to either groups or individuals.
27 In addition thereto, the program shall have the specific authority to:

28 (1) Enter into contracts as necessary or proper to carry out the provisions and purposes
29 of sections 379.930 to 379.952, including the authority, with the approval of the director, to enter
30 into contracts with similar programs in other states for the joint performance of common
31 functions or with persons or other organizations for the performance of administrative functions;

32 (2) Sue or be sued, including taking any legal actions necessary or proper to recover any
33 assessments and penalties for, on behalf of, or against the program or any reinsuring carriers;

34 (3) Take any legal action necessary to avoid the payment of improper claims against the
35 program;

36 (4) Define the health benefit plans for which reinsurance will be provided, and to issue
37 reinsurance policies, in accordance with the requirements of sections 379.930 to 379.952;

38 (5) Establish rules, conditions and procedures for reinsuring risks under the program;

39 (6) Establish actuarial functions as appropriate for the operation of the program;

40 (7) Assess carriers in accordance with the provisions of subsection 8 of this section, and
41 to make advance interim assessments as may be reasonable and necessary for organizational and
42 interim operating expenses. Any interim assessments shall be credited as offsets against any
43 regular assessments due following the close of the calendar year;

44 (8) Appoint appropriate legal, actuarial and other committees as necessary to provide
45 technical assistance in the operation of the program, policy and other contract design, and any
46 other function within the authority of the program; and

47 (9) Borrow money to effect the purposes of the program. Any notes or other evidence
48 of indebtedness of the program not in default shall be legal investments for carriers and may be
49 carried as admitted assets.

50 5. A small employer carrier participating in the program may reinsure an entire small
51 employer group with the program as provided for in this subsection:

52 (1) With respect to a basic health benefit plan or a standard health benefit plan, the
53 program shall reinsure the level of coverage provided and, with respect to other plans, the
54 program shall reinsure up to the level of coverage provided in a basic or standard health benefit
55 plan.

56 (2) A small employer carrier may reinsure an entire small employer group within sixty
57 days of the commencement of the group's coverage under a health benefit plan or within thirty
58 days after an annual renewal of a small employer group.

59 (3) (a) The program shall not reimburse a small employer carrier with respect to the
60 claims of an employee or dependent who is part of a reinsured small employer group until the
61 carrier has incurred an initial level of claims for such employee or dependent of five thousand

62 dollars in a calendar year for benefits covered by the program. In addition, the small employer
63 carrier shall be responsible for ten percent of the remaining incurred claims during a calendar
64 year and the program shall reinsure the remainder. A small employer carrier's liability under this
65 paragraph shall not exceed a maximum limit of twenty-five thousand dollars in any one calendar
66 year with respect to any individual who is part of a reinsured small employer group.

67 (b) The board annually shall adjust the initial level of claims and the maximum limit to
68 be retained by the carrier to reflect increases in costs and utilization within the standard market
69 for health benefit plans within the state. The adjustment shall not be less than the annual change
70 in the medical component of the "Consumer Price Index for All Urban Consumers" of the federal
71 Department of Labor, Bureau of Labor Statistics, unless the board proposes and the director
72 approves a lower adjustment factor.

73 (4) A small employer carrier may terminate reinsurance for a small employer on any plan
74 anniversary.

75 6. (1) The board, as part of the plan of operation, shall establish a methodology for
76 determining premium rates to be charged by the program for reinsuring small employers and
77 individuals pursuant to sections 379.942 and 379.943. The methodology shall include a system
78 for classification of small employers that reflects the types of case characteristics commonly used
79 by small employer carriers in the state. The methodology shall also include a system for
80 classification of small employer carriers that reflects the degree to which the small employer
81 carrier uses the cost containment features adopted by the health benefit plan committee under
82 section 379.944. The methodology shall provide for the development of base reinsurance
83 premium rates, which shall be multiplied by the factors set forth in subdivision (2) of this act to
84 determine the premium rates for the program. The base reinsurance premium rates, shall be
85 established by the board, subject to the approval of the director, and shall be set at levels which
86 reasonably approximate gross premiums charged to small employers by small employer carriers
87 for health benefit plans with benefits similar to the standard health benefit plan.

88 (2) Only an entire small employer group may be reinsured, and the rate for such
89 reinsurance shall be one and one-half times the base reinsurance insurance premium rate for the
90 group established pursuant to this subsection.

91 (3) The board periodically shall review the methodology established under subdivisions
92 (1) and (2) of this section, including the system of classification and any rating factors, to assure
93 that it reasonably reflects the claims experience of the program. The board may propose changes
94 to the methodology which shall be subject to the approval of the director.

95 7. If a health benefit plan for a small employer is reinsured with the program, the
96 premium charged to the small employer for any rating period for the coverage issued shall meet
97 the requirements relating to premium rates set forth in section 379.936.

98 8. (1) Prior to March first of each year, the board shall determine and report to the
99 director the program net loss for the previous calendar year, including administrative expenses
100 and incurred losses for the year, taking into account investment income and other appropriate
101 gains and losses.

102 (2) Any net loss for the year shall be recouped by assessments of reinsuring carriers.

103 (a) The board shall establish, as part of the plan of operation, a formula by which to
104 make assessments against reinsuring carriers and small employer carriers. The assessment
105 formula shall be based on:

106 a. The share of each reinsuring carrier which reinsures any small employer group with
107 the program, of the program net loss described in this subsection shall be their proportionate
108 share, determined by premiums earned in the preceding calendar year from health benefit plans
109 which have been ceded to the program, times one-half of the total program net loss;

110 b. Each reinsuring carrier's share of the program net loss described in this subsection
111 shall be its proportionate share, determined by premiums earned in the preceding calendar year
112 from all health benefit plans delivered or issued for delivery to small employers in this state by
113 all reinsuring carriers, times one-half of the total program net loss. An assessment levied or paid
114 by a reinsuring carrier pursuant to subparagraph a of this paragraph shall not be credited or offset
115 against any assessment levied pursuant to this subparagraph.

116 (b) The formula established pursuant to paragraph (a) of this subdivision shall not result
117 in any reinsuring carrier having an assessment share that is less than fifty percent nor more than
118 one hundred fifty percent of an amount which is based on the proportion of the small employer
119 carrier's total premiums earned in the preceding calendar year from health benefit plans delivered
120 or issued for delivery to small employers in this state by small employer carriers to total
121 premiums earned in the preceding calendar year from health benefit plans delivered or issued for
122 delivery to small employers in this state by all small employer carriers.

123 (c) The director by rule and after a hearing thereon, may change the assessment formula
124 established pursuant to paragraph (a) of this subdivision from time to time as appropriate. The
125 director may provide for the shares of the assessment base attributable to premiums from all
126 health benefit plans and to premiums from health benefit plans ceded to the program to vary
127 during a transition period.

128 (d) Subject to the approval of the director, the board shall make an adjustment to the
129 assessment formula for reinsuring carriers that are approved health maintenance organizations
130 which are federally qualified under 42 U.S.C. section 300, et seq., to the extent, if any, that
131 restrictions are placed on them that are not imposed on other small employer carriers.

132 (e) Premiums and benefits payable by a reinsuring carrier that are less than an amount
133 determined by the board to justify the cost of collection shall not be considered for purposes of

134 determining assessments.

135 (3) (a) Prior to March first of each year, the board shall determine and file with the
136 director an estimate of the assessments needed to fund the losses incurred by the program in the
137 previous calendar year.

138 (b) If the board determines that the assessments needed to fund the losses incurred by
139 the program in the previous calendar year will exceed the amount specified in paragraph (c) of
140 this subdivision, the board shall evaluate the operation of the program and report its findings,
141 including any recommendations for changes to the plan of operation, to the director within ninety
142 days following the end of the calendar year in which the losses were incurred. The evaluation
143 shall include: an estimate of future assessments, the administrative costs of the program, the
144 appropriateness of the premiums charged and the level of insurer retention under the program
145 and the costs of coverage for small employers. If the board fails to file a report with the director
146 within ninety days following the end of the applicable calendar year, the director may evaluate
147 the operations of the program and implement such amendments to the plan of operation the
148 director deems necessary to reduce future losses and assessments.

149 (c) For any calendar year, the amount specified in this paragraph is five percent of total
150 premiums earned in the previous year from health benefit plans delivered or issued for delivery
151 to small employers in this state by reinsuring carriers.

152 (d) a. If assessments in each of two consecutive calendar years exceed the amount
153 specified in paragraph (c) of subdivision (3) of this subsection, the program shall be eligible to
154 receive additional financing as provided in subparagraph b of this paragraph.

155 b. The additional financing provided for in subparagraph a of this paragraph shall be
156 obtained from additional assessments apportioned among all carriers which are not small
157 employer carriers; the amount of the assessment for each carrier determined by the carrier's
158 proportionate share of premiums earned in the preceding calendar year from all health benefit
159 plans delivered, issued for delivery or continued in this state to individuals and groups, other than
160 small employer groups subject to sections 379.930 to 379.952, by all carriers, times the total
161 amount of additional financing to be obtained.

162 c. The additional assessment provided by subparagraph b of this paragraph shall not
163 exceed an amount equal to one percent of the gross premium derived by that carrier from all
164 health benefit plans delivered, issued for delivery or continued in this state to individuals and
165 groups, other than small employer groups subject to sections 379.930 to 379.952.

166 d. Any loss sustained by the program which is not reimbursed by additional financing
167 obtained pursuant to this paragraph shall be carried forward to the calendar year succeeding the
168 year in which the loss is sustained, and shall be recouped by an increase in premiums charged
169 by the board for reinsurance of small employer groups with the program.

170 e. Additional financing received by the program pursuant to this paragraph shall be
171 distributed to reinsuring carriers in proportion to the assessments paid by such carriers over the
172 previous two calendar years.

173 (4) If assessments exceed net losses of the program, the excess shall be held at interest
174 and used by the board to offset future losses or to reduce program premiums. As used in this
175 paragraph, "future losses" includes reserves for incurred but not reported claims.

176 (5) Each carrier's proportion of the assessment shall be determined annually by the board
177 based on annual statements and other reports deemed necessary by the board and filed by the
178 carriers with the board.

179 (6) The plan of operation shall provide for the imposition of an interest penalty for late
180 payment of assessments.

181 (7) A carrier may seek from the director a deferment from all or part of an assessment
182 imposed by the board. The director may defer all or part of the assessment of a carrier if the
183 director determines that the payment of the assessment would place the carrier in a financially
184 impaired condition. If all or part of an assessment against a carrier is deferred, the amount
185 deferred shall be assessed against the other participating carriers in a manner consistent with the
186 basis for assessment set forth in this subsection. The carrier receiving such deferment shall
187 remain liable to the program for the amount deferred and the interest penalty provided in
188 subdivision (6) of this subsection and shall be prohibited from reinsuring any groups in the
189 program until such time as it pays such assessments.

190 9. Neither the participation in the program as reinsuring carriers, the establishment of
191 rates, forms or procedures, nor any other joint or collective action required by sections 379.930
192 to 379.952 shall be the basis of any legal action, criminal or civil liability, or penalty against the
193 program or any of its reinsuring carriers either jointly or separately, other than any action by the
194 director to enforce the provisions of sections 379.930 to 379.952.

195 10. The board, as part of the plan of operation, shall develop standards setting forth the
196 manner and levels of compensation to be paid to producers for the sale of basic and standard
197 health benefit plans. In establishing such standards, the board shall take into the consideration:
198 the need to assure the broad availability of coverages; the objectives of the program; the time and
199 effort expended in placing the coverage; the need to provide ongoing service to the small
200 employer; the levels of compensation currently used in the industry; and the overall costs of
201 coverage to small employers selecting these plans.

202 11. The program shall be exempt from any and all taxes.

203 [12. The director shall make an initial assessment of one thousand dollars on each
204 insurance company authorized to transact accident or health insurance, each health services
205 corporation, and each health maintenance organization. Initial assessments shall be made during

206 January, 1993, and shall be paid before April 1, 1993. Initial assessments shall be deposited into
207 the department of insurance dedicated fund. Within ten days after the effective date of the
208 program's plan of operation, the total amount of the initial assessments shall be transferred at the
209 request of the director to the Missouri small employer health reinsurance program. The program
210 may use such initial assessment in the same manner and for the same purposes as other
211 assessments pursuant to sections 379.942 and 379.943.]

381.118. 1. Each title agent licensed to sell title insurance in this state, unless exempt
2 pursuant to subsection 8 of this section, shall successfully complete courses of study as required
3 by this section. Any person licensed to act as a title agent shall, during each two years, attend
4 courses or programs of instruction or attend seminars equivalent to a minimum of eight hours
5 of instruction. The initial such two-year period shall begin January first of the year next
6 following the effective date of this chapter.

7 2. Subject to approval by the director, the courses or programs of instruction which shall
8 be deemed to meet the director's standards for continuing educational requirements shall include,
9 but not be limited to, the following:

10 (1) An insurance-related course taught by an accredited college or university or qualified
11 instructor who has taught a course of insurance law at such institution;

12 (2) A course or program of instruction or seminar developed or sponsored by any
13 authorized insurer, recognized agents' association or insurance trade association. A local agents'
14 group may also be approved if the instructor receives no compensation for services;

15 (3) Courses approved for continuing legal education credit by the Missouri Bar.

16 3. A person teaching any approved course of instruction or lecturing at any approved
17 seminar shall qualify for the same number of classroom hours as would be granted to a person
18 taking and successfully completing such course, seminar or program.

19 4. Excess classroom hours accumulated during any two-year period may be carried
20 forward to the two-year period immediately following the two- year period in which the course,
21 program or seminar was held.

22 5. For good cause shown, the director may grant an extension of time during which the
23 educational requirements imposed by this section may be completed, but such extension of time
24 shall not exceed the period of one calendar year. The director may grant an individual waiver
25 of the mandatory continuing education requirement upon a showing by the licensee that it is not
26 feasible for the licensee to satisfy the requirements prior to the renewal date. Waivers may be
27 granted for reasons including, but not limited to:

28 (1) Serious physical injury or illness;

29 (2) Active duty in the armed services for an extended period of time;

30 (3) Residence outside the United States; or

31 (4) Licensee is at least seventy years of age and is currently licensed as a title agent.

32 6. Every person subject to the provisions of this section shall furnish in a form
33 satisfactory to the director, written certification as to the courses, programs, or seminars of
34 instruction taken and successfully completed by such person. A filing fee shall be paid by the
35 person furnishing the report as determined by the director to be necessary to cover the
36 administrative cost related to the handling of such certification reports, subject to the limitations
37 imposed in subsection 9 of this section.

38 7. The provisions of this section shall not apply to those natural persons holding or
39 applying for a license to act as a title agent in Missouri who reside in a state that has enacted and
40 implemented a mandatory continuing education law or regulation pertaining to title agents.
41 However, those natural persons holding or applying for a Missouri agent license who reside in
42 states which have no mandatory continuing education law or regulations shall be subject to all
43 the provisions of this section to the same extent as resident Missouri title agents.

44 8. Rules necessary to implement and administer this section shall be promulgated by the
45 director of the department of insurance, including, but not limited to, rules regarding the
46 following:

47 (1) The insurance advisory board established by section 375.019, RSMo, shall be utilized
48 by the director to assist the director in determining acceptable content of courses, programs and
49 seminars to include classroom equivalency;

50 (2) Every applicant seeking approval by the director of a continuing education course
51 pursuant to this section shall pay to the director a filing fee of fifty dollars per course, except that
52 such total fee shall not exceed two hundred fifty dollars per year for any single applicant. Fees
53 shall be waived for local agents' groups if the instructor receives no compensation for services.
54 Such fee shall accompany any application form required by the director. Courses shall be
55 approved for a period of no more than one year. Applicants holding courses intended to be
56 offered for a longer period must reapply for approval;

57 (3) The director has the authority to determine the amount of the filing fee to be paid by
58 title agents at the time of license renewal, which shall be set at an amount to produce revenue
59 which shall not substantially exceed the cost of administering this section, but in no event shall
60 such fee exceed ten dollars per biennial report filed.

61 9. All funds received pursuant to the provisions of this section shall be transmitted by
62 the director of the department of insurance to the department of revenue for deposit in the state
63 treasury to the credit of the [department of insurance dedicated fund. All expenditures
64 necessitated by this section shall be paid from funds appropriated from the department of
65 insurance dedicated fund by the legislature] **general revenue**.

66 10. When a title agent pays his or her biennial renewal fee, such agent shall also furnish

67 the written certification and filing fee required by this section.

68 11. No rule or portion of a rule promulgated pursuant to the authority of this section shall
69 become effective unless it has been promulgated pursuant to the provisions of chapter 536,
70 RSMo.

 Section B. Because immediate action is necessary to increase the balance of available
2 moneys in the general revenue fund, section A of this act is deemed necessary for the immediate
3 preservation of the public health, welfare, peace, and safety, and is hereby declared to be an
4 emergency act within the meaning of the constitution, and section A of this act shall be in full
5 force and effect upon its passage and approval.