

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2194

AN ACT

To repeal sections 287.955, 374.205, 375.004 , 379.118, and 379.125, RSMo, and to enact in lieu thereof six new sections relating to the regulation of insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
AS FOLLOWS:

1 Section A. Sections 287.955, 374.205, 375.004 , 379.118,
2 and 379.125, RSMo, are repealed and six new sections enacted in
3 lieu thereof, to be known as sections 287.955, 374.205, 375.004,
4 379.118, 379.125, and 379.1640, to read as follows:

5 287.955. 1. Every workers' compensation insurer shall
6 adhere to a uniform classification system and uniform experience
7 rating plan filed with the director by the advisory organization
8 designated by the director and subject to his disapproval.

9 2. An insurer may develop subclassifications of the uniform
10 classification system upon which a rate may be made, except that
11 such subclassifications shall be filed with the director thirty
12 days prior to their use. The director shall disapprove
13 subclassifications if the insurer fails to demonstrate that the
14 data thereby produced can be reported consistent with the uniform

1 statistical plan and classification system.

2 3. The director shall designate an advisory organization to
3 assist him in gathering, compiling and reporting relevant
4 statistical information. Every workers' compensation insurer
5 shall record and report its workers' compensation experience to
6 the designated advisory organization as set forth in the uniform
7 statistical plan approved by the director.

8 4. The designated advisory organization shall develop and
9 file manual rules, subject to the approval of the director,
10 reasonably related to the recording and reporting of data
11 pursuant to the uniform statistical plan, uniform experience
12 rating plan, and the uniform classification system.

13 5. Every workers' compensation insurer shall adhere to the
14 approved manual rules and experience rating plan in writing and
15 reporting its business. No insurer shall agree with any other
16 insurer or with the advisory organization to adhere to manual
17 rules which are not reasonably related to the recording and
18 reporting of data pursuant to the uniform classification system
19 of the uniform statistical plan.

20 6. (1) A workers' compensation insurer may develop an
21 individual risk premium modification rating plan which
22 prospectively modifies premium based upon individual risk
23 characteristics which are predictive of future loss. Such rating
24 plan shall be filed thirty days prior to use and may be subject
25 to disapproval by the director.

26 (2) Premium modifications under this subsection may be
27 determined by an underwriter assessing the individual risk
28 characteristics and applying premium credits and debits as

1 specified under a schedule rating plan. Alternatively, an
2 insurer may utilize software or a computer risk modeling system
3 designed to identify and assess individual risk characteristics
4 and which systematically and uniformly applies premium
5 modifications to similarly situated employers. The rating plan
6 shall establish objective standards for measuring variations in
7 individual risks for hazards or expense or both. [The rating
8 plan shall be actuarially justified and shall not result in
9 premiums which are excessive, inadequate, or unfairly
10 discriminatory.] The rating plan shall not utilize factors which
11 are duplicative of factors otherwise utilized in the development
12 of rates or premiums, including the uniform classification system
13 and the uniform experience rating plan. [The premium
14 modification factors utilized under the rating plan shall be
15 applied on a statewide basis, with no premium modifications] No
16 premium modification factors shall be based solely upon the
17 geographic location of the employer.

18 (a) Premium modifications resulting from a schedule rating
19 plan, with an underwriter determining individual risk
20 characteristics, shall be limited to plus or minus twenty-five
21 percent. Up to an additional ten percent credit may be given for
22 a reduction in the insurer's expenses.

23 (b) Premium modifications resulting from a risk modeling
24 system shall be limited to plus or minus fifty percent. Premium
25 modifications resulting from a risk modeling system shall be
26 reported separately under the uniform statistical plan from
27 premium modifications resulting from a schedule rating plan.

28 (c) Changes in premium modification factors may occur if

1 there is a change in the insurer, the insurer amends or withdraws
2 the rating plan, or if there is a change in the insured
3 employer's operations or risk characteristics underlying the
4 premium modification factor.

5 (3) Within thirty days of a request, the insurer shall
6 clearly disclose to the employer the individual risk
7 characteristics which result in premium modifications. However,
8 this disclosure shall not in any way require the release to the
9 insured employer of any trade secret or proprietary information
10 or data used to derive the premium modification and that meets
11 the definitions of, and is protected by, the provisions of
12 chapter 417.

13 [(4) (a) Premium modifications under this subsection may
14 be determined by an underwriter assessing the individual risk
15 characteristics and applying premium credits and debits as
16 specified under a schedule rating plan. Alternatively, an
17 insurer may utilize software or a computer risk modeling system
18 designed to identify and assess individual risk characteristics
19 and which systematically and uniformly applies premium
20 modifications to similarly situated employers.

21 (b) Premium modifications resulting from a schedule rating
22 plan, with an underwriter determining individual risk
23 characteristics, shall be limited to plus or minus twenty-five
24 percent. An additional ten percent credit may be given for a
25 reduction in the insurer's expenses.

26 (c) Premium modifications resulting from a risk modeling
27 system shall be limited to plus or minus fifty percent. Premium
28 modifications resulting from a risk modeling system shall be

1 reported separately under the uniform statistical plan from
2 premium modifications resulting from a schedule rating plan.

3 (d) Premium credits or reductions shall not be removed or
4 reduced unless there is a change in the insurer, the insurer
5 amends or withdraws the rating plan, or unless there is a
6 corresponding change in the insured employer's operations or risk
7 characteristics underlying the credit or reduction.]

8 374.205. 1. (1) The director or any of the director's
9 examiners may conduct an examination pursuant to sections 374.202
10 to 374.207 of any company as often as the director in his or her
11 sole discretion deems appropriate, but shall, at a minimum,
12 conduct a financial examination of every insurer licensed in this
13 state at least once every five years. In scheduling and
14 determining the nature, scope and frequency of examinations, the
15 director may consider such matters as the results of financial
16 statement analyses and ratios, changes in management or
17 ownership, actuarial opinions, reports of independent certified
18 public accountants, consumer complaints, and other criteria as
19 set forth in the Examiners' Handbook adopted by the National
20 Association of Insurance Commissioners and in effect when the
21 director exercises discretion pursuant to this section.

22 (2) For purposes of completing an examination of any
23 company pursuant to sections 374.202 to 374.207, the director may
24 examine or investigate any person, or the business of any person,
25 insofar as such examination or investigation is, in the sole
26 discretion of the director, necessary or material to the
27 examination of the company.

28 (3) In lieu of a financial examination pursuant to section

1 374.207 of any foreign or alien insurer licensed in this state,
2 the director may accept a financial examination report on the
3 company as prepared by the insurance department or other
4 appropriate agency for the company's state of domicile or
5 port-of-entry state until January 1, 1994. After January 1,
6 1994, such reports may only be accepted if such insurance
7 department or other appropriate agency was at the time of the
8 examination accredited pursuant to the National Association of
9 Insurance Commissioners' Financial Regulation Standards and
10 Accreditation Program or the examination is performed under the
11 supervision of an accredited insurance department or other
12 appropriate agency or with the participation of one or more
13 examiners who are employed by such an accredited state insurance
14 department or other appropriate agency and who, after a review of
15 the examination workpapers and report, state under oath that the
16 examination was performed in a manner consistent with the
17 standards and procedures required by their insurance department
18 or other appropriate agency.

19 2. (1) Upon determining that an examination should be
20 conducted, the director or the director's designee shall issue an
21 examination warrant appointing one or more examiners to perform
22 the examination and instructing them as to the scope of the
23 examination. In conducting the examination, the examiner shall
24 observe those guidelines and procedures set forth in the
25 Examiners' Handbook adopted by the National Association of
26 Insurance Commissioners. The director may also employ such other
27 guidelines or procedures as the director may deem appropriate.

28 (2) Every company or person from whom information is

1 sought, its officers, directors and agents shall provide to the
2 examiners appointed pursuant to subdivision (1) of this
3 subsection timely, convenient and free access at all reasonable
4 hours at its offices to all books, records, accounts, papers,
5 documents and any or all computer or other recordings relating to
6 the property, assets, business and affairs of the company being
7 examined. The company or person being examined shall provide
8 within ten calendar days any record requested by an examiner
9 during a market conduct examination, unless such company or
10 person demonstrates to the satisfaction of the director that the
11 requested record cannot be provided within ten calendar days of
12 the request. All policy records for each policy issued shall be
13 maintained for the duration of the current policy term plus two
14 calendar years and all claim files shall be maintained for the
15 calendar year in which the claim is closed plus three calendar
16 years. The officers, directors, employees and agents of the
17 company or person shall facilitate the examination and aid in the
18 examination so far as it is in their power to do so. The refusal
19 of any company, by its officers, directors, employees or agents,
20 to submit to examination or to comply with any reasonable written
21 request of the examiners shall be grounds for suspension or
22 refusal of, or nonrenewal of, any license or authority held by
23 the company to engage in an insurance or other business subject
24 to the director's jurisdiction. Any such proceeding for
25 suspension, revocation or refusal of any license or authority
26 shall be conducted pursuant to section 374.046.

27 (3) The director or any of the director's examiners may
28 issue subpoenas to administer oaths and to examine under oath any

1 person as to any matter pertinent to the examination. Upon the
2 failure or refusal of any person to obey a subpoena, the director
3 may petition a court of competent jurisdiction, and upon proper
4 showing, the court may enter an order compelling the witness to
5 appear and testify or produce documentary evidence. Failure to
6 obey the court order shall be punishable as contempt of court.
7 Such subpoenas may also be enforced pursuant to the provisions of
8 sections 375.881 and 375.1162.

9 (4) When making an examination pursuant to sections 374.202
10 to 374.207, the director may retain attorneys, appraisers,
11 independent actuaries, independent certified public accountants
12 or other professionals and specialists as examiners, the cost of
13 which shall be borne directly by the company which is the subject
14 of the examination.

15 (5) The provisions of sections 374.202 to 374.207 shall not
16 be construed to limit the director's authority to terminate or
17 suspend any examination in order to pursue other legal or
18 regulatory action pursuant to the insurance laws of this state.
19 Findings of fact and conclusions made pursuant to any examination
20 shall be prima facie evidence in any legal or regulatory action.

21 (6) Nothing contained in sections 374.202 to 374.207 shall
22 be construed to limit the director's authority to use and, if
23 appropriate, to make public any final or preliminary examination
24 report, any examiner or company workpapers or other documents, or
25 any other information discovered or developed during the course
26 of any examination in the furtherance of any legal or regulatory
27 action which the director may, in his or her sole discretion,
28 deem appropriate.

1 3. (1) All examination reports shall be comprised of only
2 facts appearing upon the books, records, or other documents of
3 the company, its agents or other persons examined, or as
4 ascertained from the testimony of its officers or agents or other
5 persons examined concerning its affairs, and such conclusions and
6 recommendations as the examiners find reasonably warranted from
7 the facts.

8 (2) No later than sixty days following completion of the
9 examination, the examiner in charge shall file with the
10 department a verified written report of examination under oath.
11 Upon receipt of the verified report, the department shall
12 transmit the report to the company examined, together with a
13 notice which shall afford the company examined a reasonable
14 opportunity of not more than thirty days to make a written
15 submission or rebuttal with respect to any matters contained in
16 the examination report.

17 (3) Within thirty days of the end of the period allowed for
18 the receipt of written submissions or rebuttals, the director
19 shall fully consider and review the report, together with any
20 written submissions or rebuttals and any relevant portions of the
21 examiner's workpapers and either initiate legal action or enter
22 an order:

23 (a) Adopting the examination report as filed or with
24 modification or corrections. If the examination report reveals
25 that the company is operating in violation of any law, regulation
26 or prior order of the director, the director may order the
27 company to take any action the director considers necessary and
28 appropriate to cure such violation;

1 (b) Rejecting the examination report with directions to the
2 examiners to reopen the examination for purposes of obtaining
3 additional data, documentation or information, and refiling
4 pursuant to subsection 1 of this section;

5 (c) Calling for an investigatory hearing with no less than
6 twenty days' notice to the company for purposes of obtaining
7 additional documentation, data, information and testimony; or

8 (d) Calling for such regulatory action as the director
9 deems appropriate, provided that this order shall be a
10 confidential internal order directing the department to take
11 certain action.

12 (4) All orders entered pursuant to paragraph (a) of
13 subdivision (3) of this subsection shall be accompanied by
14 findings and conclusions resulting from the director's
15 consideration and review of the examination report, relevant
16 examiner workpapers and any written submissions or rebuttals.
17 Any such order shall be considered a final administrative
18 decision and may be appealed pursuant to section 536.150 and
19 shall be served upon the company by certified mail, together with
20 a copy of the adopted examination report. Within thirty days of
21 the issuance of the adopted report, the company shall file
22 affidavits executed by each of its directors stating under oath
23 that they have received a copy of the adopted report and related
24 orders. In lieu of the preceding affidavit requirement, in the
25 case of an adopted market conduct report, rather than an adopted
26 financial examination report, the company may file an affidavit
27 executed by its general counsel or chief legal officer stating
28 under oath that the general counsel or chief legal officer has

1 received a copy of the adopted market conduct report and related
2 orders. Any hearing conducted pursuant to paragraph (c) of
3 subdivision (3) of this subsection by the director or authorized
4 representative shall be conducted as a nonadversarial
5 confidential investigatory proceeding as necessary for the
6 resolution of any inconsistencies, discrepancies or disputed
7 issues apparent upon the face of the filed examination report or
8 raised by or as a result of the director's review of relevant
9 workpapers or by the written submission or rebuttal of the
10 company. Within twenty days of the conclusion of any such
11 hearing, the director shall enter an order pursuant to paragraph
12 (a) of subdivision (3) of this subsection. In conducting a
13 hearing pursuant to paragraph (c) of subdivision (3) of this
14 subsection:

15 (a) The director shall not appoint an examiner as an
16 authorized representative to conduct the hearing. The hearing
17 shall proceed expeditiously with discovery by the company limited
18 to the examiner's workpapers which tend to substantiate any
19 assertions set forth in any written submission or rebuttal. The
20 director or his or her representative may issue subpoenas for the
21 attendance of any witnesses or the production of any documents
22 deemed relevant to the investigation whether under the control of
23 the department, the company or other persons. The documents
24 produced shall be included in the record, and testimony taken by
25 the director or his or her representative shall be under oath and
26 preserved for the record. The provisions of this section shall
27 not require the department to disclose any information or records
28 which would indicate or show the existence of any investigation

1 or activity of a criminal justice agency; and

2 (b) The hearing shall proceed with the director or his or
3 her representative posing questions to the persons subpoenaed.
4 Thereafter, the company and the department may present testimony
5 relevant to the investigation. Cross-examination shall be
6 conducted only by the director or the director's representative.
7 The company and the department shall be permitted to make closing
8 statements and may be represented by counsel of their choice.

9 (5) Upon the adoption of the examination report pursuant to
10 paragraph (a) of subdivision (3) of this subsection, the director
11 shall continue to hold the content of the examination report as
12 private and confidential information for a period of ten days
13 except to the extent provided in this subdivision. Thereafter,
14 the director may open the report for public inspection so long as
15 no court of competent jurisdiction has stayed its publication.
16 Nothing contained in the insurance laws of this state shall
17 prevent or be construed as prohibiting the director from
18 disclosing the content of an examination report, preliminary
19 examination report or results, or any matter relating thereto, to
20 the insurance department of this or any other state or country,
21 or to law enforcement officials of this or any other state or
22 agency of the federal government at any time, so long as such
23 agency or office receiving the report or matters relating thereto
24 agrees in writing to hold it confidential and in a manner
25 consistent with this section. In the event the director
26 determines that legal or regulatory action is appropriate as a
27 result of any examination, he or she may initiate any proceedings
28 or actions as provided by law.

1 4. All working papers, recorded information, documents and
2 copies thereof produced by, obtained by or disclosed to the
3 director or any person in the course of an examination made
4 pursuant to this section shall be given confidential treatment
5 and are not subject to subpoena and may not be made public by the
6 director or any other person, except to the extent provided in
7 subdivision (5) of subsection 3 of this section. Access may also
8 be granted to the National Association of Insurance
9 Commissioners. Such parties shall agree in writing prior to
10 receiving the information to provide to it the same confidential
11 treatment as required by this section, unless the prior written
12 consent of the company to which it pertains has been obtained.

13 375.004. 1. No insurer shall refuse to renew a policy
14 unless the insurer or its agent mails or delivers to the named
15 insured, at the address shown in the policy, at least thirty
16 days' advance notice of its intention not to renew. The notice
17 shall state the insurer's actual reason for proposing the action,
18 the statement of reason to be sufficiently clear and specific so
19 that a person of average intelligence can identify the basis for
20 the insurer's decision without further inquiry. Generalized
21 terms such as "personal habits", "living conditions", or "poor
22 morals" shall not suffice to meet the requirements of this
23 subsection. The notice shall also state that the insured may be
24 eligible for insurance through the Missouri basic property
25 insurance inspection and placement program. This section shall
26 not apply:

27 (1) If the insurer has manifested its willingness to renew;
28 or

1 (2) In case of nonpayment of premium; or

2 (3) If the named insured has indicated he does not wish to
3 have the policy renewed; or

4 (4) If the insured fails to pay any advance premium
5 required by the insurer for renewal.

6 2. Renewal of a policy shall not constitute a waiver or
7 estoppel with respect to grounds for cancellation which existed
8 before the effective date of the renewal.

9 3. An insurer shall be exempt from the requirements of this
10 section regarding notice of nonrenewal if:

11 (1) The insurer assigns or transfers the insured's policy
12 to an affiliate or subsidiary within the same insurance holding
13 company system;

14 (2) The assignment or transfer is effective upon the
15 expiration of the existing policy; and

16 (3) Prior to providing coverage for a subsequent policy
17 term, an insurer accepting an assignment or transfer of the
18 policy shall provide notice of such assignment or transfer to the
19 named insured.

20
21 However, if the assignment or transfer of a policy does not
22 result in coverage substantially equivalent to the coverage that
23 was contained in the policy being assigned or transferred, the
24 insurer shall, in lieu of providing the notice in subdivision (3)
25 of this subsection, at least fifteen days in advance of the
26 effective date of the assignment or transfer, notify the
27 policyholder that some coverage provisions will change due to the
28 assignment or transfer, advise the policyholder to refer to the

1 new policy for coverage details, and provide a copy of or access
2 to the replacement policy form or the executed replacement
3 policy.

4 379.118. 1. If any insurer proposes to cancel or to refuse
5 to renew a policy of automobile insurance delivered or issued for
6 delivery in this state except at the request of the named insured
7 or for nonpayment of premium, it shall, on or before thirty days
8 prior to the proposed effective date of the action, send written
9 notice of its intended action to the named insured at his last
10 known address. Notice shall be sent by United States Postal
11 Service certificate of mailing, first class mail using
12 Intelligent Mail barcode (IMb), or another mail tracking method
13 used, approved, or accepted by the United States Postal Service.
14 Where cancellation is for nonpayment of premium at least ten
15 days' notice of cancellation shall be given and such notice shall
16 contain the following notice or substantially similar in bold
17 conspicuous type: "THIS POLICY IS CANCELLED EFFECTIVE AT THE
18 DATE AND TIME INDICATED IN THIS NOTICE. THIS IS THE FINAL NOTICE
19 OF CANCELLATION WE WILL SEND PRIOR TO THE EFFECTIVE DATE AND TIME
20 OF CANCELLATION INDICATED IN THIS NOTICE.". The notice shall
21 state:

22 (1) The action taken;

23 (2) The effective date of the action;

24 (3) The insurer's actual reason for taking such action, the
25 statement of reason to be sufficiently clear and specific so that
26 a person of average intelligence can identify the basis for the
27 insurer's decision without further inquiry. Generalized terms
28 such as "personal habits", "living conditions", "poor morals", or

1 "violation or accident record" shall not suffice to meet the
2 requirements of this subdivision;

3 (4) That the insured may be eligible for insurance through
4 the assigned risk plan if his insurance is to be cancelled.

5 2. Issuance of a notice of cancellation under subsection 1
6 of this section constitutes a present and unequivocal act of
7 cancellation of the policy.

8 3. An insurer may reinstate a policy cancelled under
9 subsection 1 of this section at any time after the notice of
10 cancellation is issued if the reason for the cancellation is
11 remedied. An insurer may send communications to the insured,
12 including but not limited to billing notices for past due
13 premium, offers to reinstate the policy if past due premium is
14 paid, notices confirming cancellation of the policy, or billing
15 notices for payment of earned but unpaid premium. The fact that
16 a policy may be so reinstated or any such communication may be
17 made does not invalidate or void any cancellation effectuated
18 under subsection 1 of this section or defeat the present and
19 unequivocal nature of acts of cancellation as described under
20 subsection 2 of this section.

21 4. An insurer shall send an insured written notice of an
22 automobile policy renewal at least fifteen days prior to the
23 effective date of the new policy. The notice shall be sent by
24 first class mail or may be sent electronically if requested by
25 the policyholder, and shall contain the insured's name, the
26 vehicle covered, the total premium amount, and the effective date
27 of the new policy. Any request for electronic delivery of
28 renewal notices shall be designated on the application form

1 signed by the applicant, made in writing by the policyholder, or
2 made in accordance with sections 432.200 to 432.295. The insurer
3 shall comply with any subsequent request by a policyholder to
4 rescind authorization for electronic delivery and to elect to
5 receive renewal notices by first class mail. Any delivery of a
6 renewal notice by electronic means shall not constitute notice of
7 cancellation of a policy even if such notice is included with the
8 renewal notice.

9 5. An insurer shall be exempt from the requirements of this
10 section regarding notice of nonrenewal if:

11 (1) The insurer assigns or transfers the insured's policy
12 to an affiliate or subsidiary within the same insurance holding
13 company system;

14 (2) The assignment or transfer is effective upon the
15 expiration of the existing policy; and

16 (3) Prior to providing coverage for a subsequent policy
17 term, an insurer accepting an assignment or transfer of the
18 policy shall provide notice of such assignment or transfer to the
19 named insured.

20
21 However, if the assignment or transfer of a policy does not
22 result in coverage substantially equivalent to the coverage that
23 was contained in the policy being assigned or transferred, the
24 insurer shall, in lieu of providing the notice in subdivision (3)
25 of this subsection, at least fifteen days in advance of the
26 effective date of the assignment or transfer, notify the
27 policyholder that some coverage provisions will change due to the
28 assignment or transfer, advise the policyholder to refer to the

1 new policy for coverage details, and provide a copy of or access
2 to the replacement policy form or the executed replacement
3 policy.

4 379.125. Any company or association, other than life,
5 organized under the provisions of chapter 379 may cause itself to
6 be wholly or partially reinsured against any loss arising from
7 any risk which it may have undertaken, and in like manner may
8 reinsure or guarantee any other corporation doing the same kind
9 of business as itself (including, for policies issued outside of
10 the United States, insurance of life risks that are attached as
11 riders to policies, provided that the aggregate premium assumed
12 on an annual basis pursuant to such life risks does not exceed
13 three percent of the capital and surplus of such company as of
14 the thirty-first day of December of the preceding year), against
15 loss arising from any risks that shall have been or may be
16 undertaken by such corporation, or may join with any such
17 corporation in any such risk, and may make and enter into all
18 manner of contracts relating to such reinsurance and joint
19 insurance, and the terms upon which the same shall be conducted;
20 provided, however, any company reinsuring the whole of any single
21 risk or risks the same being a substantial portion of all risks
22 insured by the company shall be subject to the provisions of
23 section 375.241.

24 379.1640. 1. As used in this section, the following terms
25 shall mean:

26 (1) "Department", the department of insurance, financial
27 institutions and professional registration;

28 (2) "Director", the director of the department of

1 insurance, financial institutions and professional registration;

2 (3) "Limited lines self-service storage insurance
3 producer", an owner, operator, lessor, or sublessor of a self-
4 service storage facility, or an agent or other person authorized
5 to manage the facility, duly licensed by the department of
6 insurance, financial institutions and professional registration;

7 (4) "Offer and disseminate", provide general information,
8 including a description of the coverage and price, as well as
9 process the application, collect premiums, and perform other
10 nonlicensable activities permitted by the state;

11 (5) "Self-service storage insurance", insurance coverage
12 for the loss of, or damage to, tangible personal property in a
13 self-service storage facility as defined in section 415.405 or in
14 transit during the rental period.

15 2. Notwithstanding any other provision of law:

16 (1) Individuals may offer and disseminate self-service
17 storage insurance on behalf of and under the control of a limited
18 lines self-service storage insurance producer only if the
19 following conditions are met:

20 (a) The limited lines self-service storage insurance
21 producer provides to purchasers of self-service storage
22 insurance:

23 a. A description of the material terms or the actual
24 material terms of the insurance coverage;

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

26 c. A description of the review or cancellation process for
27 the self-service storage insurance coverage; and

28 d. The identity and contact information of the insurer and

1 any third-party administrator or supervising entity authorized to
2 act on behalf of the insurer;

3 (b) At the time of licensure, the limited lines self-
4 service storage insurance producer shall establish and maintain a
5 register on a form prescribed by the director of each individual
6 that offers self-service storage insurance on the limited lines
7 self-service storage insurance producer's behalf. The register
8 shall be maintained and updated annually by the limited lines
9 self-service storage insurance producer and shall include the
10 name, address, and contact information of the limited lines self-
11 service storage insurance producer and an officer or person who
12 directs or controls the limited lines self-service storage
13 insurance producer's operations, and the self-service storage
14 facility's federal tax identification number. The limited lines
15 self-service storage insurance producer shall submit such
16 register within thirty days upon request by the department. The
17 limited lines self-service storage insurance producer shall also
18 certify that each individual listed on the self-service storage
19 register complies with 18 U.S.C. 1033;

20 (c) The limited lines self-service storage insurance
21 producer serves as or has designated one of its employees who is
22 a licensed individual producer as a person responsible for the
23 business entity's compliance with the self-service storage
24 insurance laws, rules, and regulations of this state;

25 (d) An individual applying for a limited lines self-service
26 storage insurance producer license shall make application to the
27 director on the specified application and declare under penalty
28 of refusal, suspension or revocation of the license that the

1 statements made on the application are true, correct and complete
2 to the best of the knowledge and belief of the applicant. Before
3 approving the application, the director shall find that the
4 individual:

5 a. Is at least eighteen years of age;

6 b. Has not committed any act that is a ground for denial,
7 suspension, or revocation set forth in section 375.141;

8 c. Has paid a license fee in the sum of one hundred
9 dollars; and

10 d. Has completed a qualified training program regarding
11 self-service storage insurance policies, which has been filed
12 with and approved by the director;

13 (e) Individuals applying for limited lines self-service
14 storage insurance producer licenses shall be exempt from
15 examination. The director may require any documents reasonably
16 necessary to verify the information contained in an application.

17 Within thirty working days after the change of any information
18 submitted on the application, the self-service storage insurance
19 producer shall notify the director of the change. No fee shall
20 be charged for any such change. If the director has taken no
21 action within twenty-five working days of receipt of an
22 application, the application shall be deemed approved and the
23 applicant may act as a licensed self-service storage insurance
24 producer, unless the applicant has indicated a conviction for a
25 felony or a crime involving moral turpitude;

26 (f) The limited lines self-service storage insurance
27 producer requires each employee and authorized representative of
28 the self-service storage insurance producer whose duties include

1 offering and disseminating self-service storage insurance to
2 receive a program of instruction or training provided or
3 authorized by the insurer or supervising entity that has been
4 reviewed and approved by the director. The training material
5 shall, at a minimum, contain instructions on the types of
6 insurance offered, ethical sales practices, and required
7 disclosures to prospective customers;

8 (2) Any individual offering or disseminating self-service
9 storage insurance shall provide to prospective purchasers
10 brochures or other written materials that:

11 (a) Provide the identity and contact information of the
12 insurer and any third-party administrator or supervising entity
13 authorized to act on behalf of the insurer;

14 (b) Explain that the purchase of self-service storage
15 insurance is not required in order to lease self-storage units;

16 (c) Explain that an unlicensed self-service storage
17 operator is permitted to provide general information about the
18 insurance offered by the self-service storage operator, including
19 a description of the coverage and price, but is not qualified or
20 authorized to answer technical questions about the terms and
21 conditions of the insurance offered by the self-service storage
22 operator or to evaluate the adequacy of the customer's existing
23 insurance coverage; and

24 (d) Disclose that self-service storage insurance may
25 provide duplication of coverage already provided by an
26 occupant's, homeowner's, renters, or other source of coverage;

27 (3) A limited lines self-service storage producer's
28 employee or authorized representative, who is not licensed as an

1 insurance producer, may not:

2 (a) Evaluate or interpret the technical terms, benefits,
3 and conditions of the offered self-service storage insurance
4 coverage;

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

7 (c) Hold themselves or itself out as a licensed insurer,
8 licensed producer, or insurance expert;

9 (4) If self-service storage insurance is offered to the
10 customer, premium or other charges specifically applicable to
11 self-service storage insurance shall be listed as a separate
12 amount and apart from other charges relating to the lease and/or
13 procurement of a self-service storage unit on all documentation
14 pertinent to the transaction.

15 3. Notwithstanding any other provision of law, a limited
16 lines self-service storage insurance provider whose insurance-
17 related activities, and those of its employees and authorized
18 representatives, are limited to offering and disseminating self-
19 service storage insurance on behalf of and under the direction of
20 a limited lines self-service storage insurance producer meeting
21 the conditions stated in this section is authorized to do so and
22 receive related compensation, upon registration by the limited
23 lines self-service storage insurance producer as described in
24 paragraph (b) of subdivision (1) of subsection 2 of this section.

25 4. Self-service storage insurance may be provided under an
26 individual policy or under a group or master policy.

27 5. Limited lines self-service storage insurance producers,
28 operators, employees and authorized representatives offering and

1 disseminating self-service storage insurance under the limited
2 lines self-service storage insurance producer license shall be
3 subject to the provisions of chapters 374 and 375, except as
4 provided for in this section.

5 6. Limited lines self-service storage insurance producers,
6 operators, employees and authorized representatives may offer and
7 disseminate self-service storage insurance policies in an amount
8 not to exceed five thousand dollars of coverage per customer per
9 storage unit.

10 7. The director may promulgate rules to effectuate this
11 section. Any rule or portion of a rule, as that term is defined
12 in section 536.010 that is created under the authority delegated
13 in this section shall become effective only if it complies with
14 and is subject to all of the provisions of chapter 536, and, if
15 applicable, section 536.028. This section and chapter 536 are
16 nonseverable and if any of the powers vested with the general
17 assembly pursuant to chapter 536, to review, to delay the
18 effective date, or to disapprove and annul a rule are
19 subsequently held unconstitutional, then the grant of rulemaking
20 authority and any rule proposed or adopted after August 28, 2016,
21 shall be invalid and void.