

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2194
98TH GENERAL ASSEMBLY

5573S.05T

2016

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:

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2 repealed and six new sections enacted in lieu thereof, to be known as sections 287.955, 374.205,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

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

4 2. An insurer may develop subclassifications of the uniform classification system upon
5 which a rate may be made, except that such subclassifications shall be filed with the director
6 thirty days prior to their use. The director shall disapprove subclassifications if the insurer fails
7 to demonstrate that the data thereby produced can be reported consistent with the uniform
8 statistical plan and classification system.

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

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

13 4. The designated advisory organization shall develop and file manual rules, subject to
14 the approval of the director, reasonably related to the recording and reporting of data pursuant
15 to the uniform statistical plan, uniform experience rating plan, and the uniform classification
16 system.

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

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

26 (2) **Premium modifications under this subsection may be determined by an**
27 **underwriter assessing the individual risk characteristics and applying premium credits and**
28 **debits as specified under a schedule rating plan. Alternatively, an insurer may utilize**
29 **software or a computer risk modeling system designed to identify and assess individual risk**
30 **characteristics and which systematically and uniformly applies premium modifications to**
31 **similarly situated employers.** The rating plan shall establish objective standards for measuring
32 variations in individual risks for hazards or expense or both. [The rating plan shall be actuarially
33 justified and shall not result in premiums which are excessive, inadequate, or unfairly
34 discriminatory.] The rating plan shall not utilize factors which are duplicative of factors
35 otherwise utilized in the development of rates or premiums, including the uniform classification
36 system and the uniform experience rating plan. [The premium modification factors utilized
37 under the rating plan shall be applied on a statewide basis, with no premium modifications] **No**
38 **premium modification factors shall be** based solely upon the geographic location of the
39 employer.

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

44 (b) **Premium modifications resulting from a risk modeling system shall be limited**
45 **to plus or minus fifty percent. Premium modifications resulting from a risk modeling**
46 **system shall be reported separately under the uniform statistical plan from premium**
47 **modifications resulting from a schedule rating plan.**

48 **(c) Changes in premium modification factors may occur if there is a change in the**
49 **insurer, the insurer amends or withdraws the rating plan, or if there is a change in the**
50 **insured employer's operations or risk characteristics underlying the premium modification**
51 **factor.**

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

57 [(4) (a) Premium modifications under this subsection may be determined by an
58 underwriter assessing the individual risk characteristics and applying premium credits and debits
59 as specified under a schedule rating plan. Alternatively, an insurer may utilize software or a
60 computer risk modeling system designed to identify and assess individual risk characteristics and
61 which systematically and uniformly applies premium modifications to similarly situated
62 employers.

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

66 (c) Premium modifications resulting from a risk modeling system shall be limited to plus
67 or minus fifty percent. Premium modifications resulting from a risk modeling system shall be
68 reported separately under the uniform statistical plan from premium modifications resulting from
69 a schedule rating plan.

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

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

11 (2) For purposes of completing an examination of any company pursuant to sections
12 374.202 to 374.207, the director may examine or investigate any person, or the business of any
13 person, insofar as such examination or investigation is, in the sole discretion of the director,
14 necessary or material to the examination of the company.

15 (3) In lieu of a financial examination pursuant to section 374.207 of any foreign or alien
16 insurer licensed in this state, the director may accept a financial examination report on the
17 company as prepared by the insurance department or other appropriate agency for the company's
18 state of domicile or port-of-entry state until January 1, 1994. After January 1, 1994, such reports
19 may only be accepted if such insurance department or other appropriate agency was at the time
20 of the examination accredited pursuant to the National Association of Insurance Commissioners'
21 Financial Regulation Standards and Accreditation Program or the examination is performed
22 under the supervision of an accredited insurance department or other appropriate agency or with
23 the participation of one or more examiners who are employed by such an accredited state
24 insurance department or other appropriate agency and who, after a review of the examination
25 workpapers and report, state under oath that the examination was performed in a manner
26 consistent with the standards and procedures required by their insurance department or other
27 appropriate agency.

28 2. (1) Upon determining that an examination should be conducted, the director or the
29 director's designee shall issue an examination warrant appointing one or more examiners to
30 perform the examination and instructing them as to the scope of the examination. In conducting
31 the examination, the examiner shall observe those guidelines and procedures set forth in the
32 Examiners' Handbook adopted by the National Association of Insurance Commissioners. The
33 director may also employ such other guidelines or procedures as the director may deem
34 appropriate.

35 (2) Every company or person from whom information is sought, its officers, directors
36 and agents shall provide to the examiners appointed pursuant to subdivision (1) of this
37 subsection timely, convenient and free access at all reasonable hours at its offices to all books,
38 records, accounts, papers, documents and any or all computer or other recordings relating to the
39 property, assets, business and affairs of the company being examined. The company or person
40 being examined shall provide within ten calendar days any record requested by an examiner
41 during a market conduct examination, unless such company or person demonstrates to the
42 satisfaction of the director that the requested record cannot be provided within ten calendar days
43 of the request. All policy records for each policy issued shall be maintained for the duration of
44 the current policy term plus two calendar years and all claim files shall be maintained for the
45 calendar year in which the claim is closed plus three calendar years. The officers, directors,
46 employees and agents of the company or person shall facilitate the examination and aid in the

47 examination so far as it is in their power to do so. The refusal of any company, by its officers,
48 directors, employees or agents, to submit to examination or to comply with any reasonable
49 written request of the examiners shall be grounds for suspension or refusal of, or nonrenewal of,
50 any license or authority held by the company to engage in an insurance or other business subject
51 to the director's jurisdiction. Any such proceeding for suspension, revocation or refusal of any
52 license or authority shall be conducted pursuant to section 374.046.

53 (3) The director or any of the director's examiners may issue subpoenas to administer
54 oaths and to examine under oath any person as to any matter pertinent to the examination. Upon
55 the failure or refusal of any person to obey a subpoena, the director may petition a court of
56 competent jurisdiction, and upon proper showing, the court may enter an order compelling the
57 witness to appear and testify or produce documentary evidence. Failure to obey the court order
58 shall be punishable as contempt of court. Such subpoenas may also be enforced pursuant to the
59 provisions of sections 375.881 and 375.1162.

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

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

68 (6) Nothing contained in sections 374.202 to 374.207 shall be construed to limit the
69 director's authority to use and, if appropriate, to make public any final or preliminary
70 examination report, any examiner or company workpapers or other documents, or any other
71 information discovered or developed during the course of any examination in the furtherance of
72 any legal or regulatory action which the director may, in his or her sole discretion, deem
73 appropriate.

74 3. (1) All examination reports shall be comprised of only facts appearing upon the
75 books, records, or other documents of the company, its agents or other persons examined, or as
76 ascertained from the testimony of its officers or agents or other persons examined concerning its
77 affairs, and such conclusions and recommendations as the examiners find reasonably warranted
78 from the facts.

79 (2) No later than sixty days following completion of the examination, the examiner in
80 charge shall file with the department a verified written report of examination under oath. Upon
81 receipt of the verified report, the department shall transmit the report to the company examined,
82 together with a notice which shall afford the company examined a reasonable opportunity of not

83 more than thirty days to make a written submission or rebuttal with respect to any matters
84 contained in the examination report.

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

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

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

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

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

101 (4) All orders entered pursuant to paragraph (a) of subdivision (3) of this subsection shall
102 be accompanied by findings and conclusions resulting from the director's consideration and
103 review of the examination report, relevant examiner workpapers and any written submissions or
104 rebuttals. Any such order shall be considered a final administrative decision and may be
105 appealed pursuant to section 536.150 and shall be served upon the company by certified mail,
106 together with a copy of the adopted examination report. Within thirty days of the issuance of the
107 adopted report, the company shall file affidavits executed by each of its directors stating under
108 oath that they have received a copy of the adopted report and related orders. **In lieu of the**
109 **preceding affidavit requirement, in the case of an adopted market conduct report, rather**
110 **than an adopted financial examination report, the company may file an affidavit executed**
111 **by its general counsel or chief legal officer stating under oath that the general counsel or**
112 **chief legal officer has received a copy of the adopted market conduct report and related**
113 **orders.** Any hearing conducted pursuant to paragraph (c) of subdivision (3) of this subsection
114 by the director or authorized representative shall be conducted as a nonadversarial confidential
115 investigatory proceeding as necessary for the resolution of any inconsistencies, discrepancies or
116 disputed issues apparent upon the face of the filed examination report or raised by or as a result
117 of the director's review of relevant workpapers or by the written submission or rebuttal of the
118 company. Within twenty days of the conclusion of any such hearing, the director shall enter an

119 order pursuant to paragraph (a) of subdivision (3) of this subsection. In conducting a hearing
120 pursuant to paragraph (c) of subdivision (3) of this subsection:

121 (a) The director shall not appoint an examiner as an authorized representative to conduct
122 the hearing. The hearing shall proceed expeditiously with discovery by the company limited to
123 the examiner's workpapers which tend to substantiate any assertions set forth in any written
124 submission or rebuttal. The director or his or her representative may issue subpoenas for the
125 attendance of any witnesses or the production of any documents deemed relevant to the
126 investigation whether under the control of the department, the company or other persons. The
127 documents produced shall be included in the record, and testimony taken by the director or his
128 or her representative shall be under oath and preserved for the record. The provisions of this
129 section shall not require the department to disclose any information or records which would
130 indicate or show the existence of any investigation or activity of a criminal justice agency; and

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

136 (5) Upon the adoption of the examination report pursuant to paragraph (a) of subdivision
137 (3) of this subsection, the director shall continue to hold the content of the examination report
138 as private and confidential information for a period of ten days except to the extent provided in
139 this subdivision. Thereafter, the director may open the report for public inspection so long as
140 no court of competent jurisdiction has stayed its publication. Nothing contained in the insurance
141 laws of this state shall prevent or be construed as prohibiting the director from disclosing the
142 content of an examination report, preliminary examination report or results, or any matter
143 relating thereto, to the insurance department of this or any other state or country, or to law
144 enforcement officials of this or any other state or agency of the federal government at any time,
145 so long as such agency or office receiving the report or matters relating thereto agrees in writing
146 to hold it confidential and in a manner consistent with this section. In the event the director
147 determines that legal or regulatory action is appropriate as a result of any examination, he or she
148 may initiate any proceedings or actions as provided by law.

149 4. All working papers, recorded information, documents and copies thereof produced by,
150 obtained by or disclosed to the director or any person in the course of an examination made
151 pursuant to this section shall be given confidential treatment and are not subject to subpoena and
152 may not be made public by the director or any other person, except to the extent provided in
153 subdivision (5) of subsection 3 of this section. Access may also be granted to the National
154 Association of Insurance Commissioners. Such parties shall agree in writing prior to receiving

155 the information to provide to it the same confidential treatment as required by this section, unless
156 the prior written consent of the company to which it pertains has been obtained.

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

- 10 (1) If the insurer has manifested its willingness to renew; or
- 11 (2) In case of nonpayment of premium; or
- 12 (3) If the named insured has indicated he does not wish to have the policy renewed; or
- 13 (4) If the insured fails to pay any advance premium required by the insurer for renewal.

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

16 **3. An insurer shall be exempt from the requirements of this section regarding**
17 **notice of nonrenewal if:**

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

20 **(2) The assignment or transfer is effective upon the expiration of the existing policy;**
21 **and**

22 **(3) Prior to providing coverage for a subsequent policy term, an insurer accepting**
23 **an assignment or transfer of the policy shall provide notice of such assignment or transfer**
24 **to the named insured.**

25

26 **However, if the assignment or transfer of a policy does not result in coverage substantially**
27 **equivalent to the coverage that was contained in the policy being assigned or transferred,**
28 **the insurer shall, in lieu of providing the notice in subdivision (3) of this subsection, at least**
29 **fifteen days in advance of the effective date of the assignment or transfer, notify the**
30 **policyholder that some coverage provisions will change due to the assignment or transfer,**
31 **advise the policyholder to refer to the new policy for coverage details, and provide a copy**
32 **of or access to the replacement policy form or the executed replacement policy.**

379.118. 1. If any insurer proposes to cancel or to refuse to renew a policy of automobile
2 insurance delivered or issued for delivery in this state except at the request of the named insured

3 or for nonpayment of premium, it shall, on or before thirty days prior to the proposed effective
4 date of the action, send written notice of its intended action to the named insured at his last
5 known address. Notice shall be sent by United States Postal Service certificate of mailing, first
6 class mail using Intelligent Mail barcode (IMb), or another mail tracking method used, approved,
7 or accepted by the United States Postal Service. Where cancellation is for nonpayment of
8 premium at least ten days' notice of cancellation shall be given and such notice shall contain the
9 following notice or substantially similar in bold conspicuous type: "THIS POLICY IS
10 CANCELLED EFFECTIVE AT THE DATE AND TIME INDICATED IN THIS NOTICE.
11 THIS IS THE FINAL NOTICE OF CANCELLATION WE WILL SEND PRIOR TO THE
12 EFFECTIVE DATE AND TIME OF CANCELLATION INDICATED IN THIS NOTICE.". The
13 notice shall state:

14 (1) The action taken;

15 (2) The effective date of the action;

16 (3) The insurer's actual reason for taking such action, the statement of reason to be
17 sufficiently clear and specific so that a person of average intelligence can identify the basis for
18 the insurer's decision without further inquiry. Generalized terms such as "personal habits",
19 "living conditions", "poor morals", or "violation or accident record" shall not suffice to meet the
20 requirements of this subdivision;

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

23 2. Issuance of a notice of cancellation under subsection 1 of this section constitutes a
24 present and unequivocal act of cancellation of the policy.

25 3. An insurer may reinstate a policy cancelled under subsection 1 of this section at any
26 time after the notice of cancellation is issued if the reason for the cancellation is remedied. An
27 insurer may send communications to the insured, including but not limited to billing notices for
28 past due premium, offers to reinstate the policy if past due premium is paid, notices confirming
29 cancellation of the policy, or billing notices for payment of earned but unpaid premium. The fact
30 that a policy may be so reinstated or any such communication may be made does not invalidate
31 or void any cancellation effectuated under subsection 1 of this section or defeat the present and
32 unequivocal nature of acts of cancellation as described under subsection 2 of this section.

33 4. An insurer shall send an insured written notice of an automobile policy renewal at
34 least fifteen days prior to the effective date of the new policy. The notice shall be sent by first
35 class mail or may be sent electronically if requested by the policyholder, and shall contain the
36 insured's name, the vehicle covered, the total premium amount, and the effective date of the new
37 policy. Any request for electronic delivery of renewal notices shall be designated on the
38 application form signed by the applicant, made in writing by the policyholder, or made in

39 accordance with sections 432.200 to 432.295. The insurer shall comply with any subsequent
40 request by a policyholder to rescind authorization for electronic delivery and to elect to receive
41 renewal notices by first class mail. Any delivery of a renewal notice by electronic means shall
42 not constitute notice of cancellation of a policy even if such notice is included with the renewal
43 notice.

44 **5. An insurer shall be exempt from the requirements of this section regarding**
45 **notice of nonrenewal if:**

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

48 **(2) The assignment or transfer is effective upon the expiration of the existing policy;**
49 **and**

50 **(3) Prior to providing coverage for a subsequent policy term, an insurer accepting**
51 **an assignment or transfer of the policy shall provide notice of such assignment or transfer**
52 **to the named insured.**

53

54 **However, if the assignment or transfer of a policy does not result in coverage substantially**
55 **equivalent to the coverage that was contained in the policy being assigned or transferred,**
56 **the insurer shall, in lieu of providing the notice in subdivision (3) of this subsection, at least**
57 **fifteen days in advance of the effective date of the assignment or transfer, notify the**
58 **policyholder that some coverage provisions will change due to the assignment or transfer,**
59 **advise the policyholder to refer to the new policy for coverage details, and provide a copy**
60 **of or access to the replacement policy form or the executed replacement policy.**

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

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

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

4 (2) "Director", the director of the department of insurance, financial institutions
5 and professional registration;

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

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

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

16 2. Notwithstanding any other provision of law:

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

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

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

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

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

27 d. The identity and contact information of the insurer and any third-party
28 administrator or supervising entity authorized to act on behalf of the insurer;

29 (b) At the time of licensure, the limited lines self-service storage insurance producer
30 shall establish and maintain a register on a form prescribed by the director of each
31 individual that offers self-service storage insurance on the limited lines self-service storage
32 insurance producer's behalf. The register shall be maintained and updated annually by
33 the limited lines self-service storage insurance producer and shall include the name,
34 address, and contact information of the limited lines self-service storage insurance
35 producer and an officer or person who directs or controls the limited lines self-service
36 storage insurance producer's operations, and the self-service storage facility's federal tax
37 identification number. The limited lines self-service storage insurance producer shall

38 **submit such register within thirty days upon request by the department. The limited lines**
39 **self-service storage insurance producer shall also certify that each individual listed on the**
40 **self-service storage register complies with 18 U.S.C. 1033;**

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

45 **(d) An individual applying for a limited lines self-service storage insurance**
46 **producer license shall make application to the director on the specified application and**
47 **declare under penalty of refusal, suspension or revocation of the license that the statements**
48 **made on the application are true, correct and complete to the best of the knowledge and**
49 **belief of the applicant. Before approving the application, the director shall find that the**
50 **individual:**

51 **a. Is at least eighteen years of age;**

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

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

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

57 **(e) Individuals applying for limited lines self-service storage insurance producer**
58 **licenses shall be exempt from examination. The director may require any documents**
59 **reasonably necessary to verify the information contained in an application. Within thirty**
60 **working days after the change of any information submitted on the application, the self-**
61 **service storage insurance producer shall notify the director of the change. No fee shall be**
62 **charged for any such change. If the director has taken no action within twenty-five**
63 **working days of receipt of an application, the application shall be deemed approved and**
64 **the applicant may act as a licensed self-service storage insurance producer, unless the**
65 **applicant has indicated a conviction for a felony or a crime involving moral turpitude;**

66 **(f) The limited lines self-service storage insurance producer requires each employee**
67 **and authorized representative of the self-service storage insurance producer whose duties**
68 **include offering and disseminating self-service storage insurance to receive a program of**
69 **instruction or training provided or authorized by the insurer or supervising entity that has**
70 **been reviewed and approved by the director. The training material shall, at a minimum,**
71 **contain instructions on the types of insurance offered, ethical sales practices, and required**
72 **disclosures to prospective customers;**

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

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

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

79 **(c) Explain that an unlicensed self-service storage operator is permitted to provide**
80 **general information about the insurance offered by the self-service storage operator,**
81 **including a description of the coverage and price, but is not qualified or authorized to**
82 **answer technical questions about the terms and conditions of the insurance offered by the**
83 **self-service storage operator or to evaluate the adequacy of the customer's existing**
84 **insurance coverage; and**

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

87 **(3) A limited lines self-service storage producer's employee or authorized**
88 **representative, who is not licensed as an insurance producer, may not:**

89 **(a) Evaluate or interpret the technical terms, benefits, and conditions of the offered**
90 **self-service storage insurance coverage;**

91 **(b) Evaluate or provide advice concerning a prospective purchaser's existing**
92 **insurance coverage; or**

93 **(c) Hold themselves or itself out as a licensed insurer, licensed producer, or**
94 **insurance expert;**

95 **(4) If self-service storage insurance is offered to the customer, premium or other**
96 **charges specifically applicable to self-service storage insurance shall be listed as a separate**
97 **amount and apart from other charges relating to the lease and/or procurement of a self-**
98 **service storage unit on all documentation pertinent to the transaction.**

99 **3. Notwithstanding any other provision of law, a limited lines self-service storage**
100 **insurance provider whose insurance-related activities, and those of its employees and**
101 **authorized representatives, are limited to offering and disseminating self-service storage**
102 **insurance on behalf of and under the direction of a limited lines self-service storage**
103 **insurance producer meeting the conditions stated in this section is authorized to do so and**
104 **receive related compensation, upon registration by the limited lines self-service storage**
105 **insurance producer as described in paragraph (b) of subdivision (1) of subsection 2 of this**
106 **section.**

107 **4. Self-service storage insurance may be provided under an individual policy or**
108 **under a group or master policy.**

109 **5. Limited lines self-service storage insurance producers, operators, employees and**
110 **authorized representatives offering and disseminating self-service storage insurance under**
111 **the limited lines self-service storage insurance producer license shall be subject to the**
112 **provisions of chapters 374 and 375, except as provided for in this section.**

113 **6. Limited lines self-service storage insurance producers, operators, employees and**
114 **authorized representatives may offer and disseminate self-service storage insurance**
115 **policies in an amount not to exceed five thousand dollars of coverage per customer per**
116 **storage unit.**

117 **7. The director may promulgate rules to effectuate this section. Any rule or portion**
118 **of a rule, as that term is defined in section 536.010 that is created under the authority**
119 **delegated in this section shall become effective only if it complies with and is subject to all**
120 **of the provisions of chapter 536, and, if applicable, section 536.028. This section and**
121 **chapter 536 are nonseverable and if any of the powers vested with the general assembly**
122 **pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul**
123 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority and**
124 **any rule proposed or adopted after August 28, 2016, shall be invalid and void.**

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