

House _____ Amendment NO. _____

Offered By

1 AMEND House Bill No. 2440, Page 1, Section A, Line 2, by inserting after all of said section and
2 line the following:

3
4 "374.190. 1. The director shall examine and inquire into all violations of the insurance laws
5 of the state, and inquire into and investigate the business of insurance transacted in this state by any
6 insurance agent, broker, agency or insurance company.

7 2. He or any of his duly appointed agents may compel the attendance before him, and may
8 examine, under oath, the directors, officers, agents, employees, solicitors, attorneys or any other
9 person, in reference to the condition, affairs, management of the business, or any matters relating
10 thereto. He may administer oaths or affirmations, and shall have power to summon and compel the
11 attendance of witnesses, and to require and compel the production of records, books, papers,
12 contracts or other documents, if necessary.

13 3. The director may make and conduct the investigation in person, or he may appoint one or
14 more persons to make and conduct the same for him. If made by another than the director in person,
15 the person duly appointed by the director shall have the same powers as above granted to the
16 director. A certificate of appointment, under the official seal of the director, shall be sufficient
17 authority and evidence thereof for the person or persons to act. For the purpose of making the
18 investigations, or having the same made, the director may employ the necessary clerical, actuarial
19 and other assistance.

20 4. Notwithstanding any provision of law to the contrary, the confidentiality provisions of
21 section 374.205, including subdivision (5) of subsection 3 of section 374.205, and subsection 4 of
22 section 374.205, shall apply to all reports, working papers, recorded information, documents, and
23 copies thereof, produced by, obtained by, or disclosed to the director or any other person in the
24 course of any market conduct investigation or market conduct action.

25 374.192. 1. Notwithstanding any provision of law to the contrary, a regulated entity shall
26 have not less than thirty calendar days to submit any record or material requested by the department.
27 This subsection shall not apply to requests for records or materials by the division of consumer
28 affairs.

29 2. Notwithstanding any provision of law to the contrary, any record or document, regardless
30 of physical form or characteristic, maintained beyond the record retention period specified in section

Action Taken _____ Date _____

1 374.205 shall not be subject to request or review by the director unless the director has substantial
 2 and competent evidence that the regulated entity has willfully engaged in an act or omission
 3 constituting a level four or five violation of the laws of this state relating to insurance, including this
 4 chapter, chapter 354, and chapters 375 to 385, or has been convicted of any felony related to the
 5 business of insurance, in which case the director may request or review records or documents
 6 maintained beyond the record retention period specified in section 374.205 that directly relate to the
 7 violation or conviction."; and

8
 9 Further amend said bill, Page 6, Section 375.1183, Line 184, by inserting after all of said section
 10 and line the following:

11
 12 "379.1640. 1. As used in this section, the following terms shall mean:

13 (1) "Department", the department of commerce and insurance;

14 (2) "Director", the director of the department of commerce and insurance;

15 (3) "Limited lines self-service storage insurance producer", an owner, operator, lessor, or
 16 sublessor of a self-service storage facility, or an agent or other person authorized to manage the
 17 facility, duly licensed by the department of commerce and insurance;

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

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

24 2. Notwithstanding any other provision of law:

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

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

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

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

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

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

36 (b) At the time of licensure, the limited lines self-service storage insurance producer shall
 37 establish and maintain a register on a form prescribed by the director of each individual that offers
 38 self-service storage insurance on the limited lines self-service storage insurance producer's behalf.

39 The register shall be maintained and updated annually by the limited lines self-service storage

1 insurance producer and shall include the name, address, and contact information of the limited lines
2 self-service storage insurance producer and an officer or person who directs or controls the limited
3 lines self-service storage insurance producer's operations, and the self-service storage facility's
4 federal tax identification number. The limited lines self-service storage insurance producer shall
5 submit such register within thirty days upon request by the department. The limited lines self-
6 service storage insurance producer shall also certify that each individual listed on the self-service
7 storage register complies with 18 U.S.C. Section 1033;

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

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

16 a. Is at least eighteen years of age;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 6. Limited lines self-service storage insurance producers, operators, employees and
36 authorized representatives may offer and disseminate self-service storage insurance policies in an
37 amount not to exceed [~~five~~] fifteen thousand dollars of coverage per customer per storage unit.

38 7. The director may promulgate rules to effectuate this section. Any rule or portion of a
39 rule, as that term is defined in section 536.010, that is created under the authority delegated in this

1 section shall become effective only if it complies with and is subject to all of the provisions of
2 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and
3 if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the
4 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
5 grant of rulemaking authority and any rule proposed or adopted after August 28, 2016, shall be
6 invalid and void.

7 380.621. 1. This section shall be known and may be cited as the "Protecting Missouri's
8 Mutual Insurance Companies Act".

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

10 (1) "Adequate reinsurance", commercially available reinsurance, as deemed appropriate by
11 the board of directors of the company;

12 (2) "Unlimited aggregate reinsurance", aggregate reinsurance coverage where the losses
13 covered by the reinsurer are not limited including, but not limited to, the annual aggregate
14 reinsurance amount set forth in subdivision (1) of section 20 CSR 200-12.030.

15 3. Notwithstanding any law to the contrary, the authority expressly granted in this section
16 shall be the sole authority granted to the department over any Missouri mutual insurance company
17 operating under the provisions of this chapter, provided however that any provisions regarding
18 premium taxation set forth in chapter 148 that are applicable to Missouri mutual insurance
19 companies shall remain applicable to Missouri mutual insurance companies and further provided
20 however that chapter 382, as amended, shall remain applicable to any Missouri mutual insurance
21 company which is a member of, or is seeking to become a member of, an "insurance holding
22 company system," as that term is defined in section 382.010, as amended, provided however that
23 any examination authorized by chapter 382 shall comply with subsection 6 below where a Missouri
24 mutual insurance company owns, in whole or part, an affiliate subject to examination. The
25 department shall not require any company operating under the provisions of this chapter to waive
26 any rights, benefits, or requirements in this chapter, nor shall it confer favorable treatment in
27 exchange for, nor condition the granting of any exception upon, any company conceding additional
28 regulatory oversight by the department. If the department and any company operating under the
29 provisions of this chapter have entered into any agreement in which the department has received
30 concessions including, but not limited to, additional regulatory oversight beyond the authority
31 expressly granted in this chapter, such agreement as it relates to the department's authority is void
32 upon the enactment of this section, but such agreement shall remain in full force and effect for the
33 stated duration of the agreement as it relates to the grant of any benefits, allowances, or exemptions
34 granted to the company by the agreement.

35 4. Notwithstanding any law to the contrary, nothing in this chapter nor any regulation
36 promulgated by the department including, but not limited to, any regulation promulgated under
37 sections 374.045, 380.021, 380.271, and 380.561, shall require or be construed to require any
38 company operating under the provisions of this chapter to acquire or carry reinsurance greater than

1 adequate reinsurance including, but not limited to, unlimited aggregate reinsurance. Nothing in this
2 section shall be construed to limit the option of an offer of unlimited aggregate reinsurance.

3 5. Notwithstanding any law to the contrary including, but not limited to, the provisions of
4 section 380.321, the director shall not have the authority to hold a hearing regarding a proposed
5 merger of companies operating under the provisions of this chapter unless the director has
6 substantial and competent evidence to believe the proposed merger will prejudice the interests of the
7 policyholders of the companies. The director shall have fifteen business days to review the petition
8 for merger and, upon substantial and competent evidence to believe the proposed merger will
9 prejudice the interests of the policyholders of the companies, send a written notice of a hearing
10 regarding the proposed merger. The written notice of hearing shall itemize the reasons why the
11 director believes the proposed merger will prejudice the policyholders of the companies and it shall
12 include a hearing date regarding the proposed merger no earlier than thirty days and no later than
13 sixty days after the notice of hearing is received by the companies involved in the proposed merger.

14 6. (1) Notwithstanding the provisions of section 380.491, the department shall not charge a
15 rate exceeding a reasonable fee. A reasonable fee is determined by the average market rate typically
16 charged by third-party vendors for such services. All working papers, recorded information,
17 documents, and copies thereof produced by, obtained by, or disclosed to the department or any other
18 person in the course of an examination made under this chapter shall be given confidential treatment
19 and are not subject to subpoena and shall not be made public by the department or to any other
20 person, except as follows:

21 (a) Upon adoption, the director may open the final examination report for public inspection;

22 (b) The director may disclose the content of an examination report, preliminary examination
23 report or results, or any matter relating thereto, to the insurance department of this or any other state
24 or country, or to law enforcement officials of this or any other state or agency of the federal
25 government at any time, so long as such agency or office receiving the report or matters relating
26 thereto agrees in writing to hold it confidential and in a manner consistent with this section; and

27 (c) In the event the director determines that legal or regulatory action is appropriate as a
28 result of any examination, he or she may initiate any proceedings or actions as provided by law.

29 (2) At any time after notification of the commencement of an examination and through its
30 completion, a company may request a scheduling conference with the department to discuss the
31 following:

32 (a) The purpose and scope of the examination;

33 (b) The estimated costs of the examination;

34 (c) The types of information that the company will be asked to produce;

35 (d) The most efficient means of conducting the examination; and

36 (e) Any alternative approaches in conducting the examination that would be more
37 convenient, less burdensome, or less expensive for the company while still providing for an
38 effective examination by the department.

1 (3) (a) No more than thirty days after the scheduling conference, the department shall
2 provide the company with a detailed written budget estimate for the examination that, for each
3 forthcoming phase of the examination, accomplishes the following:

4 a. Identifies the individuals or firms performing the examination and their daily or hourly
5 rates;

6 b. Estimates of travel, lodging, meal, and other administrative or supply costs;

7 c. Estimates the length of time to conduct on-site and off-site examination activities.

8 (b) Within fifteen days of receipt of a budget estimate under paragraph (a) of this
9 subdivision, the company and the department shall have an additional discussion regarding the most
10 efficient means of conducting the examination and producing information. If necessary, revisions of
11 the budget estimate shall be made.

12 (c) The time periods under paragraphs (a) and (b) of this subdivision may be extended if the
13 company and the department mutually agree to the extension.

14 (d) At any time during the examination, the department shall hold another scheduling
15 conference with the company in accordance with the provisions of this subsection and provide a
16 revised budget estimate as set forth in paragraph (a) of this subdivision if:

17 a. The department determines that the cost of the examination will exceed the stated
18 estimated budget by more than ten percent; or

19 b. There is a material change in staffing.

20 380.631. 1. This section applies to any company operating under the provisions of this
21 chapter.

22 2. A company operating under the provisions of chapter 380 is "insolvent" if it is unable to
23 pay its obligations when they are due, or if its admitted assets do not exceed its liabilities plus the
24 reserve fund or adequate guaranty fund required by section 380.021 or 380.271, as applicable.

25 3. Notwithstanding any provision of law to the contrary, including but not limited to the
26 specific exception in subdivision (1) of subsection 2 of section 375.1150, as amended, the
27 proceedings authorized by sections 375.1150 to 375.1246 may be applied to all companies operating
28 under the provisions of chapter 380, except that such companies shall not be subject to sections
29 375.1160 to 375.1164. Sections 375.570 to 375.750, as amended, shall apply to such proceedings.";
30 and

31
32 Further amend said bill by amending the title, enacting clause, and intersectional references
33 accordingly.