



**Rules of
Department of Insurance
Division 200—Financial Examination
Chapter 6—Surplus Lines**

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Title 20—DEPARTMENT OF INSURANCE

Division 200—Financial Examination Chapter 6—Surplus Lines

20 CSR 200-6.100 Surplus Lines Insurance Forms

PURPOSE: This rule prescribes forms to be followed in making filings pursuant to sections 384.031 and 384.057, RSMo and effectuates or aids in the interpretation of sections 384.017(2), 384.031 and 384.057, RSMo.

(1) Forms.

(A) Appendix 1 is the method prescribed by the director of the Missouri Department of Insurance for filing the confidential written report required by section 384.031, RSMo. The Appendix 1 data may be filed manually by U.S. mail, express courier delivery, or personal delivery or electronically using systems, software and/or method prescribed by the director.

(B) Appendix 3 is the method prescribed by the director of the Missouri Department of Insurance for filing the annual report required by section 384.057, RSMo. The Appendix 3 data may be filed manually by U.S. mail, express courier delivery, or personal delivery or electronically using systems, software and/or method prescribed by the director.

(2) Proof of filing.

(A) Proof of filing will be provided to the surplus lines licensee making the filings if the surplus lines licensee encloses a duplicate copy of filings and a self-addressed, stamped envelope.

(B) Proof of filing will be provided to the surplus lines licensee making electronic filings by means or methods prescribed by the director of the Missouri Department of Insurance.

AUTHORITY: sections 374.045, 384.017, 384.031 and 384.057, RSMo 2000.* This rule was previously filed as 4 CSR 190-10.103. Original rule filed May 4, 1987, effective Aug. 1, 1987. Emergency rule filed June 2, 1987, effective July 1, 1987, expired Sept. 1, 1987. Emergency rescission filed June 16, 1987, effective June 26, 1987, expired Aug. 1, 1987. Amended: Filed Jan. 17, 1990, effective May 1, 1990. Amended: Filed April 23, 1999, effective Nov. 30, 1999. Amended: Filed July 12, 2002, effective Feb. 28, 2003. Amended: Filed Nov. 1, 2005, effective April 30, 2006.

*Original authority: 374.045, RSMo 1967, amended 1993, 1995; 384.017, RSMo 1987, amended 1989;

384.031, RSMo 1987, amended 1989; and 384.057, RSMo 1987, amended 1989.

20 CSR 200-6.200 Surplus Lines Advisory Organizations

This rule was previously filed as 4 CSR 190-10.104. Emergency rule filed June 2, 1987, effective July 1, 1987, expired Sept. 1, 1987. Emergency rescission filed June 16, 1987, effective June 26, 1987, expired Sept. 1, 1987.

20 CSR 200-6.300 Surplus Lines Insurance Fees and Taxes

PURPOSE: This rule clarifies and effectuates the provisions of Chapter 384, RSMo as amended by Senate Bill 250 in the First Regular Session of the 85th General Assembly with regard to the premium charged by surplus lines insurers. This rule is pursuant to the provisions of sections 374.045, 384.051, 384.057 and 384.059, RSMo.

(1) For purposes of determining net premiums, as that term is used in sections 384.051, 384.057 and 384.059, RSMo, the gross amount of charges for surplus lines insurance shall include any fee charged to the insured and paid to the surplus lines insurer for the placement of the surplus lines insurance.

(2) The fees may include, but are not limited to, policy fees, inspection fees, fees charged by an insurance producer acting as a managing general agent for a surplus lines insurer or any other fee charged by surplus lines insurer for the placement of surplus lines insurance.

(3) All fees charged to the insured by the surplus lines insurer shall be considered premium for purposes of the premium tax imposed by sections 384.051 and 384.059, RSMo.

(4) Fees paid by an insured to an insurance producer and retained by an insurance producer pursuant to an insurance producer service agreement as permitted by 20 CSR 700-1.100 shall not be considered premium for purposes of the premium tax imposed by sections 384.051 and 384.059, RSMo.

AUTHORITY: sections 374.045, 384.051, 384.057 and 384.059, RSMo 2000.* This rule was previously filed as 4 CSR 190-10.105. Original rule filed Jan. 17, 1990, effective June 11, 1990. Amended: Filed Sept. 24, 1991, effective Feb. 6, 1992. Amended: Filed July 12, 2002, effective Jan. 30, 2003.

*Original authority: 374.045, RSMo 1967, amended 1993, 1995; 384.051, RSMo 1987 amended 1989; 384.057, RSMo 1987, amended 1989; and 384.059, RSMo 1987, amended 1989.

20 CSR 200-6.400 Surplus Lines Premium Tax Allocation Formulas

PURPOSE: This rule implements the surplus lines premium tax allocation provisions contained in section 384.061, RSMo.

(1) For purposes of determining the amount of premium properly allocable to that portion of the risk located in this state pursuant to the provisions of section 384.061, RSMo, the following formulas shall be used where applicable:

(A) Products Liability =

Missouri Sales Revenue

Total Sales Revenue

(B) Fire and Extended Coverage =

Missouri Property Value

All Property Value

(C) Employee Liability =

Missouri Salaries Paid

All Salaries Paid

and

(D) Transportation Insurance =

Missouri Revenue Miles

All Revenue Miles

(2) To the extent that the formulas contained in section (1) are inapplicable or do not adequately reflect that portion of the risk located within this state, the tax payable shall be computed on the portions of the premium properly allocable to that portion of the risks located in this state. The formula may be based on the rating basis for the particular policy. The surplus lines licensee shall obtain the approval of the director prior to the use of any other formula for determining the amount of premium allocable to that portion of the risk located within this state.

AUTHORITY: sections 374.045, RSMo 1986 and 384.061, RSMo Supp. 1990.* Original rule filed Sept. 24, 1991, effective Feb. 6, 1992.

*Original authority: 374.045, RSMo 1967 and 384.061, RSMo 1967, amended 1989.

20 CSR 200-6.500 Standards for Determining the Availability of Coverage

PURPOSE: This rule specifies the standards for determining whether there is an available market in Missouri for the class of coverage required by a prospective insured, both as to



the type of coverage and the quality of coverage, such that an insurer admitted to business in Missouri must be used, or whether, in the alternative, a surplus lines licensee may be used to obtain coverage from a nonadmitted insurer.

(1) For purposes of section 384.017, RSMo, an available market shall be deemed not to exist for the type and quality of coverage required by the insured if, at the time of the request, the surplus lines licensee and the licensee's producing insurance producer, if any, have been unable, after the exercise of due diligence, to obtain such coverage from both—

(A) Those admitted insurers with whom the surplus lines licensee and any producing insurance producer have been appointed to act, respectively, as insurance producers; and

(B) Those other admitted insurers to whom the surplus lines licensee and any producing insurance producer have reasonable access and from whom they either knew they could obtain coverage or from whom they would typically be able to obtain coverage, during the normal course of business.

AUTHORITY: sections 374.045, and 384.017, RSMo 2000. Original rule filed Aug. 4, 1992, effective May 5, 1993. Amended: Filed July 12, 2002, effective Jan. 30, 2003.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995 and 384.017, RSMo 1987, amended 1989.*

20 CSR 200-6.600 Licensing Requirements
(Rescinded September 30, 2005)

AUTHORITY: section 374.045, RSMo 2000. Original rule filed Sept. 5, 2001, effective March 30, 2002. Rescinded: Filed March 9, 2005, effective Sept. 30, 2005.