



Long Call
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State of Missouri

John Ashcroft, Governor

Department of Economic Development

Cari M. Koupal, Jr., Director

Division of Insurance
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Lewis E. Melahn
Director

Bulletin 89-10

TO: ALL COMPANIES WRITING INSURANCE IN MISSOURI
FROM: LEWIS MELAHN, DIRECTOR *LEM*
SUBJECT: STATISTICAL REPORTING REQUIREMENTS
SENATE BILL 333 - EFFECTIVE AUGUST 28, 1989
DATE: AUGUST 23, 1989

It has come to the attention of the Missouri Division of Insurance that many companies operating in this state are repeatedly in violation of Missouri statutory and regulatory statistical reporting requirements. Reporting by many companies has been delinquent, incomplete, and/or erroneous. For these reasons, it was necessary that the Missouri legislature and the Division of Insurance take immediate action.

RESCINDED AND INOPERATIVE

Statute 374.215 of Senate Bill 333 becomes effective August 28, 1989. This bill is intended to place strict penalties on companies for failing to file and/or filing materially false statistical reports to the Missouri Division of Insurance.

Briefly, this statute gives the Missouri Division of Insurance the authority to fine companies that file delinquent reports the amount of \$100 a day until receipt of such report. In addition, companies may be fined up to \$1,000 for submitting a materially false report or statement to the Division. A copy of Statute 374.215 is attached. This law will be strictly enforced.

For the companies that are not aware of the Division's reporting requirements, the lines affected, the statute or regulation applicable, and the due dates are listed below:

<u>Line of Business</u>	<u>Statute or Regulation</u>	<u>Due Date</u>
Priv. Pass. Automobile (Zip Code)	374.450	June 30
Homeowners (Zip Code)	374.400	June 30
Medicare Supplement	190-14.117	April 1
Credit Life & Health	190-13.160	June 30
Credit Property	190-16.110	June 30
Credit Unemployment	190-16.170	June 30
Commercial Liability	379.895	April 15

Bulletin - Statistical Reporting Requirements
Page 2

Medical Malpractice	383.105	*Quarterly
Real Estate Malpractice	383.062	**Periodically
Legal Malpractice	383.077	**Periodically
Products Liability	374.415	March 1
Page 14 Supplement (Annual Statement)	379.105	March 1

*Due April 30, July 31, October 31, and January 31.

**Due six months from final disposition of claim.

If any of the above due dates conflict with the statute or regulation, the dates shown above will be the ones considered to be applicable. None of the above dates precede the statute or regulation due dates.

If your company does not have a copy of the statistical report forms, please check the box on the acknowledgment form. A self-addressed envelope with \$1.85 postage must be attached. Copies of these forms should be made and maintained by all companies for future filings.

If a company writes any of the lines of insurance listed above, they are expected to meet the reporting requirements set forth in the Missouri statutes and regulations. Each company is responsible for timely submissions and should not wait for notification from the Division to make its filing.

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Any company that writes less than 500 exposures in the lines of Private Passenger Automobile or Homeowners is exempt from filing these respective reports; however, if the insuring group of which a company belongs exceeds 500 exposures, each company within the group is required to file the statistical report as required by law.

Statute 374.215 not only intends to penalize companies for late reporting but also for reporting materially false and/or incorrect data. Although errors and omissions made in good faith are unavoidable, they are quite costly to the taxpayers of Missouri and the Division of Insurance who must check the company's submissions for accuracy. It is important that all companies check their own submissions for correctness and completeness. Most statistical reports submitted should be comparable within reason to the data reported in the annual statement. If there is a wide degree of variance between the two reports, please explain the difference in the initial filing. Companies who file their reports carelessly, without checking their data for correctness, may be subject to as much as a \$1,000 fine per occurrence.

Please acknowledge receipt of this bulletin by returning the attached form to the Statistical Section by September 15, 1989.

Attachment

PROCEDURE FOR ISSUANCE OF FINES FOR LATE REPORTED DATA
AND/OR MATERIALLY FALSE DATA

- A. Data not filed by the due date - Companies will receive a 15 day grace period within which they must file their report. After the 15 days, companies will receive a \$100 a day fine until stamped receipt of such filing. If the report is filed incorrectly after the due date, the company will be subject to another fine as described below.
- B. Data filed incorrectly initially
1. If the report is stamped "received" before the due date and it is incorrect, the company will be allowed a grace period of 15 days from the due date in which to resubmit the data without penalty. If the company exceeds that time, it will be fined \$100 a day until stamped receipt of the corrected report.
 2. If the initial report is stamped "received" during the grace period (within 15 days of the due date) and it is incorrect, a fine of \$500 for materially false data will be levied. The companies will have until the end of the grace period to refile the report correctly. If the companies do not file within the allotted time, they will be fined an additional \$100 a day until stamped receipt of the corrected report.
 3. ~~If the initial report is stamped "received" after the grace period and it is incorrect, a fine of \$1,000 will be levied against the companies for filing incorrect and materially false data. In addition, the companies will forfeit in fines the amount of \$100 a day until stamped receipt of a corrected report.~~

Note: The date of stamped receipt within the Missouri Division of Insurance will be the date that will be referenced for all fines.

374.215. 1. If any insurance company doing business
2 in this state fails to timely make and file any statutorily
3 required report or statement, the division of insurance shall
4 notify such company of such failure by first class mail. Any
5 company notified by the division of insurance pursuant to
6 this section shall have fifteen days to make and file such
7 report. If such company fails to make and file such report
8 within the fifteen days, it shall forfeit one hundred dollars
9 for each day after the fifteen day grace period expires.

10 2. Any insurance company doing business in this state
11 which knowingly or intentionally files or which has filed on
12 its behalf any materially false report or statement forfeits
13 not more than one thousand dollars.

14 3. Any forfeiture required or permitted by this section
15 shall be considered a civil penalty which the director of the
16 division of insurance may order pursuant to the provisions
17 of sections 374.040 and 374.280, RSMo.

375.675. If (i) the fixing or liquidation of any claim or
2 claims would unduly delay the administration of the
3 receivership or (ii) the administrative expense of
4 processing and adjudication a claim or group of claims of a
5 similar type would be unduly excessive when compared
6 with the monies which are estimated to be available for
7 distribution with respect to such claim or group of claims,
8 the determination and allowance of such claim or claims
9 pursuant to section 375.670 may be made by an estimate.
10 Any such estimate shall be based upon an actuarial evalu-
11 ation made with reasonable actuarial certainty or upon
12 another accepted method of valuing claims with reasonable
13 certainty. The provisions of this section shall apply to
14 insurance receivership proceedings which are pending on
15 the effective date of this act and to future receivership
16 proceedings.

375.771. Sections 375.771 to 375.779 shall be referred to
2 as the "Missouri Property and Casualty Insurance Guar-

ACKNOWLEDGMENT OF BULLETIN 89-10

Please type or print.

Company Name: _____

NAIC Group Code: _____ NAIC Company Code: _____

Address: _____

City: _____ State _____ Zip _____

Acknowledged by: _____

Title: _____

Signature: _____

Date: _____

My company needs a complete set of the required statistical forms.
Enclosed is a self-addressed stamped envelope (\$1.85 postage).

RESCINDED AND INOPERATIVE

Mail to: Statistical Section
Missouri Division of Insurance
P. O. Box 690
Jefferson City, MO 65102-0690