

**Title 20—DEPARTMENT OF INSURANCE  
Division 100—Insurer Conduct  
Chapter 8—Market Conduct Examinations**

**PROPOSED RULE**

**20 CSR 100-8.016 Examination Procedures**

*PURPOSE: This rule implements the purposes of section 374.185, RSMo, and establishes uniform standards for the director in applying the discretion authorized in issuing warrants for market conduct examinations pursuant to sections 374.202 to 374.207, RSMo.*

- (1) Prior to commencement of an on-site market conduct examination, market conduct surveillance personnel shall prepare a work plan and proposed budget and provide the work plan and proposed budget to the company under examination.
- (2) Market conduct examinations shall, to the extent feasible, utilize desk examinations and data requests prior to commencing on-site examination activity.
- (3) Market conduct examinations shall be conducted in accordance with the provisions set forth in the NAIC Market Regulation Handbook or substantially similar procedures adopted by rule.
- (4) The examiner-in-charge shall conduct a pre-examination conference with the company examination coordinator and key personnel to clarify expectations thirty (30) days prior to commencement of the examination.
- (5) If a targeted examination is expanded beyond the scope of the warrant and the reasons provided to the company in the notice of the examination required under this section, the director shall modify the warrant or issue a new warrant and provide written notice to the company explaining the extent of the expansion and the reasons for the expansion. The division of insurance market regulation shall provide a revised work plan to the company before the beginning of any significantly expanded examination, unless extraordinary circumstances indicating a risk to consumers require immediate action.
- (6) Prior to the conclusion of a market conduct examination, the examiner-in-charge shall schedule an exit conference with the company.

*AUTHORITY: sections 374.045, RSMo (2000), 374.185, RSMo (Supp. 2007) and 374.205, RSMo (2000).*

*PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.*

*NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: A public hearing will be held on this proposed rule at 10 a.m. on June 12, 2008. The public hearing will be held at the Harry S Truman State Office Building, Room 530, 301 West High Street, Jefferson City, Missouri. Opportunities to be heard at the hearing shall be afforded to any interested person. Interested persons, whether or not heard, may submit a written statement in support of or in opposition to the proposed rule, until 5:00 p.m. on June 12, 2008. Written statements shall be sent to*

*Tamara W. Kopp, Department of Insurance, Financial Institutions and Professional Registration, PO Box 690, Jefferson City, MO 65102.*

*SPECIAL NEEDS: If you have any special needs addressed by the Americans With Disabilities Act, please notify us at (573) 751-6798 or (573) 751-2619 at least five (5) working days prior to the hearing.*