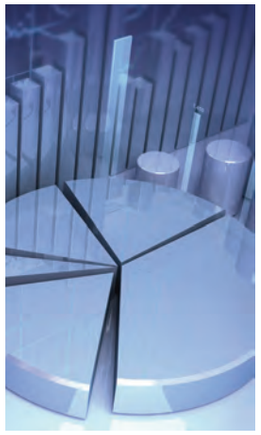
DIFP
Department of Insurance,
Financial Institutions &
Professional Registration

2010 Annual Report

Jeremiah W. (Jay) Nixon
Governor

John M. Huff
Director

PROTECTING MISSOURI CONSUMERS



VIDEO
Director John M. Huff
on the responsibilities and duties of the Department of Insurance, Financial Institutions and Professional Registration.

DIFP DIVISIONS

Leadership

Insurance Consumer Affairs

Insurance Market Regulation

Insurance Company Regulation

Administration

Finance

Credit Unions

Professional Registration

A three-tiered mission

As the department that regulates insurance companies, the banking, lending and credit union industries and licensed professionals in Missouri, our fundamental mission is three-tiered:

1. Protect Missouri consumers
2. Encourage a competitive marketplace
3. Strengthen state-based regulation

DEPARTMENT LEADERSHIP TEAM

Jim McAdams
Deputy director

Travis Ford
Communications director

Melissa Palmer
Legislative coordinator

Angela Nelson
Insurance Consumer Affairs director

Mary Kempker
Insurance Market Regulation director

Fred Heese
Insurance Company Regulation director

Grady Martin
Administration director

Rich Weaver
Finance commissioner

Ken Bonnot
Credit Unions director

Jane Rackers
Professional Registration director

IN THE productive year that was 2010, our department fulfilled the three tiers of this mission many times over. We returned nearly $11 million to consumers who had filed complaints against their insurance companies, banks and lenders. We expressed concerns about a lack of competitive products for Missourians who want to buy earthquake insurance for their homes. And two sweeping new federal laws (Patient Protection and Affordable Care Act and Dodd-Frank Act) require extra diligence from our department: it is our responsibility to ensure that state-based financial regulation remains strong and is not overwhelmed by Washington's new powers.

"Our divisions ensure consumers' deposits, insurance premiums and business dealings are protected during these challenging times."

~ Director **John M. Huff**

Solvency is job one

A priority of our department is always to monitor the financial health of insurers, banks and credit unions in Missouri. This protects consumers, who need to know that these companies have the money to pay insurance claims and cover bank and credit union deposits. That financial health has been put to the test in the challenging economy of the past three years. Our department was obligated to take action against one insurer and five banks in 2010, due to insolvency. Consumers' financial interests, however, were protected by strong department oversight in each case.

Missouri a leader in U.S. insurance regulation

- In September, Director Huff was named the sole state insurance regulator on the Financial Stability Oversight Council. This is a national panel, created by the Dodd-Frank Act, charged with evaluating systemic risk to American financial services industries. The council is chaired by U.S. Treasury Secretary Timothy Geithner and includes heads of the FDIC and Federal Reserve.

  Director Huff will emphasize to the council that while parts of the financial sector have suffered in the past three years, the insurance

CONTINUED

industry has remained healthy. This is thanks in large part to strong state regulation of insurers.

- In December, Director Huff was elected treasurer of the Interstate Insurance Product Regulation Commission. The multistate compact allows life and long-term care insurance companies to file products for approval in one place, rather than have them approved in every state. Missouri can opt out of any part of the compact if we believe it does not adequately protect consumers.
- Also in December, Director Huff joined a delegation for an NAIC-funded trip to China and Korea. The delegation met with insurance regulators from those countries to discuss prevention of insurance fraud and to exchange best practices.

New industries licensed

Our department in 2010, based on recently passed state and federal laws, began licensing three new categories of individuals and companies: private investigators, behavior analysts and mortgage originators.

Behavior analysts provide therapies for children with autism. Mortgage originators are individuals who assist consumers in the residential mortgage process.

Making government more efficient

GOV. NIXON has issued a "good government" directive to all state agencies. Our department has responded, using technology to save money and eliminate unnecessary bureaucracy for consumers and those we regulate.

- Consumers can now submit online complaints against their insurance companies, banks and credit unions.
- Insurance agents now have a convenient three-step process for renewing their insurance license online.
- Insurance companies are now filing most annual statements, policies and other required documents electronically.
- Most licensing boards now provide board members with documents electronically before board meetings to save paper, printing costs and staff time.
- 2010 brought a significant change to the verification process for consumer complaints. Instead of sending hard-copy bundles of complaint data to insurance companies, the process is now done through a secure website.
- The Annual Report you are reading is our first-ever in fully electronic format. It has been designed for your computer screen, rather than a traditional hard-copy publication.

The following pages will give you a look at the divisions of our department and some of our accomplishments from the past year.

2010 DIFP FACTS

- DIFP receives no general revenue. It is funded by fees paid by licensees and regulated entities.
- Individuals and companies licensed or registered by DIFP: More than 530,000.
- Staff: 550 full-time employees
- Fiscal 2011 budget: $38.1 million

difp.mo.gov
Stay current on department news

Insurance Consumer Affairs Division

- Helps consumers resolve complaints and inquiries
- Provides information on insurance policy questions
- Investigates insurance agents, public adjusters and bail bond agents suspected of violations
- Provides insurance education and outreach activities to Missouri consumers

DIVISION STRUCTURE

Consumer Services Section

This section mediates complaints filed by consumers against insurance companies. Actions by the section often result in insurers paying higher claim amounts to policyholders, reducing premiums, reversing denials of coverage or other steps consistent with Missouri law or specific insurance policies.

This section also provides consumer education about insurance products through the department's website, by providing on-site counseling after major storms and by participating in various consumer outreach events throughout the state. The section also provides counseling and other resources to individuals and employers to assist them with shopping for health insurance.

Insurance Consumer Hotline

800-726-7390

Consumers with questions can call the Insurance Consumer Hotline or visit **insurance.mo.gov**

TDD line for hearing impaired: 573-526-4536

How we can help

- File a complaint
- Verify an agent's license
- Get help understanding an insurance policy

Investigations Section

This section handles complaints against insurance agents and agencies, bail bond agents and public adjusters.

To discipline an agent, the department in most cases must file a complaint with the Administrative Hearing Commission (part of the Office of Administration), which determines whether there is cause for discipline. When cause is found, the department has authority to suspend or revoke licenses, put a licensee on probation or order continuing education.

The section also investigates unlicensed activity and reviews agent license applications.

VIDEO
Director Angela Nelson
on the responsibilities and duties of the Division of Insurance Consumer Affairs.

2010 STATS

Consumer Services Section

- Consumer restitution recovered: $9.6 million
- Consumers assisted by phone: 20,634
- Formal complaints and inquiries opened: 7,706

Investigations Section

- Agent investigations conducted: 1,014
- Actions against agents: 114

Top five Consumer complaints

By TYPE OF INSURANCE	
Auto	989
Group health	897
Individual health	749
Homeowners	653
Life and annuity	519

By REASON	
Claim denial	1,029
Claim delay	856
Unsatisfactory settlement/offer	437
Price	403
Misrepresentation	109

2010 ACHIEVEMENTS

CONSIDERABLE time in 2010 was focused on Missouri's new autism insurance law, signed by Gov. Nixon. The law requires health insurance companies to cover the best-known treatment for autistic children, applied behavioral analysis, up to $40,000 per year.

The division prepared educational materials for consumers, met with numerous stakeholder groups and provided guidance to parents, consumers and health care providers who contacted DIFP with questions about the new law.

Complaint process goes paperless

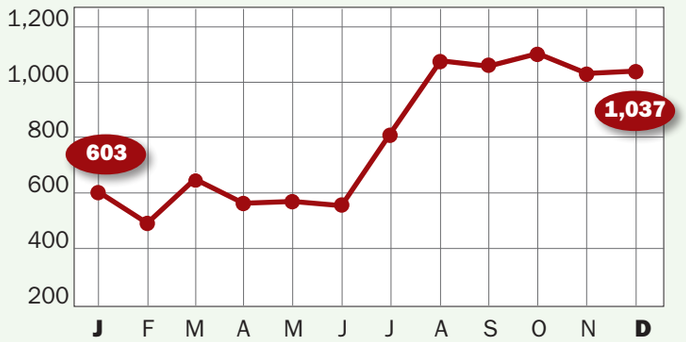
The division continues to make great strides in technology and efficiency, thanks to online resources provided by the National Association of Insurance Commissioners.

The NAIC's State-Based Systems, an online data management tool, allowed the division's consumer complaint process to become paperless in 2010. In addition to saving costs through employee time, paper and other resources, the new system allows the division to operate faster. A consumer complaint against a company or agent can now be sent electronically, and the agent or company can also respond electronically. All consumer complaints, insurance policies and other supporting documents are now stored in the online system, rather than hard-copy files.

New law protects seniors: Gov. Jay Nixon announces that Senate Bill 583 will require refunds to consumers when they cancel Medigap and long-term care insurance policies. From left are Pat Donohue, chair of the Silver Haired Legislature; Craig Eichelman, senior state director of AARP Missouri State Office; DIFP Director John Huff; Gov. Nixon; Norma Collins, state advocacy director for AARP; and Catherine Edwards, director of the Missouri Association of Area Agencies on Aging.

Consumer calls up in 2010

The division's call volume for life and health insurance doubled during the second half of 2010.



Health insurance questions drive up consumer calls

While call volume is always heavy at Consumer Affairs, 2010 saw a noticeable spike. Calls about life and health insurance doubled in the second half of the year, as consumers asked detailed questions about their policies and coverage for themselves and their families.

The division also took a heavy call volume from consumers inquiring about the new high-risk health insurance pool established in 2010 by the Missouri Health Insurance Pool.

Insurance Market Regulation Division

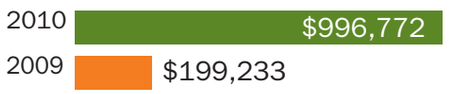
- Reviews insurance policies, rates, products and marketing strategies for compliance with Missouri law
- Performs market conduct examinations to ensure fair treatment of policyholders and compliance with Missouri law, and monitors the marketplace

DIVISION STRUCTURE

Market Conduct Section

Unlike the Consumer Affairs Division, which handles individual complaints, the Market Conduct Section explores deep into the operation of insurance companies suspected of violating Missouri laws. Violations found during market exams may result in fines and restitution to policyholders. Fines and penalties go to the Missouri State School Fund.

Market conduct consumer recoveries

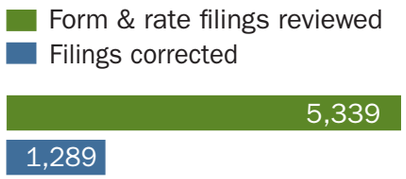


Property and Casualty Section

This section reviews policies and rates for lines of insurance including auto, homeowners, title, workers' compensation, commercial property, credit and malpractice insurance.

If DIFP finds violations in filings, insurance companies are notified. In 2010, 1,289 filings were corrected through this process.

Property & Casualty/2010



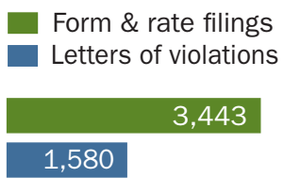
Life and Healthcare Section

This section pre-approves all life and health insurance policy forms sold to Missouri consumers. This prior approval requirement extends to group and individual health policies, annuities, prepaid dental plans, HMOs and others.

The section also reviews long-term care insurance policies to verify that rates are established in accordance with actuarially sound principles and state regulations.

Medigap (also known as Medicare supplemental) rates must be approved by the section. The section also enforces the Small Employer Health Insurance Availability Act, which protects small businesses, and HIPAA.

Life & Healthcare/2010



Statistics Section

This section creates databases and publishes reports on various insurance markets in Missouri and monitors the availability and affordability of insurance coverage in the state. Extensive data on insurance companies doing business in Missouri can be found on the department's website.

DIFP annually prepares reports on:

- Consumer Complaint Index
- Market Share
- Homeowners Insurance
- Private Passenger Automobile
- Medical Malpractice
- Real Estate Malpractice
- Legal Malpractice
- Product Liability
- Life, Accident & Health Supplement Data
- Mortgage Guaranty Insurance
- Property & Casualty Supplement

VIDEO
Director Mary Kempker
on the responsibilities and duties of the Division of Insurance Market Regulation.

Companies offering policies in Missouri at beginning of 2010

Homeowners	120
Auto	220
Health (excludes HMOs)	390
Life & annuities	434
HMOs	20
Long-term care	103
Medical malpractice	41
Workers' comp	261

2010 ACHIEVEMENTS

CONSIDERABLE time in 2010 was focused on implementation of two key laws signed by Gov. Nixon: Missouri's new "prompt pay" law and autism insurance law.

- The prompt pay law requires timely payments from health insurance companies to health care providers who treat Missouri consumers.
- The autism law requires health insurance companies to cover the best-known treatment for autistic children, applied behavioral analysis, up to $40,000 per year.

The division in 2010 actively participated in working groups and task forces created by the National Association of Insurance Commissioners to implement federal initiatives and address concerns shared by insurance regulators across the country.

To control costs and promote efficiency, all market conduct exams in 2010 were targeted, focusing on companies suspected of violations. In the past, many exams were performed at random.

Workers' compensation insurance

There were 13 more companies actively writing new policies at the end of 2010 than a year ago.

Section lends expertise for new high-risk pool

The Life and Healthcare Section provided extensive technical support to the Missouri Health Insurance Pool, which established a new federally funded high-risk pool in July. MHIP now operates two pools. The other was established by the state legislature in 1991.

Information is available at 800-821-2231 or mhip.org.

Prompt pay for health care providers: Gov. Jay Nixon, with DIFP Director John Huff and medical professionals, signs a new law that speeds up payments by health insurance companies. They were at a hospital in Cape Girardeau.

We're No. 18 (and 38)

- Missouri is the 18th largest state in insurance premium sales.
- The Missouri insurance market ranks 38th in the world, exceeding many countries including Hong Kong, Austria and Poland.

2010 premium volume in Missouri: $28.4 billion

Insurance Company Regulation Division

- Monitors and analyzes the financial condition of insurance companies licensed in Missouri to ensure they can pay claims
- Certifies and collects premium taxes due to the state

DIVISION STRUCTURE

Financial Exam Section

This section performs examinations of insurance companies headquartered or incorporated in Missouri. These are known as domestic insurers.

Exam time

- The division examines Missouri-based (domestic) insurers every three to five years.
- Missouri's county and farm mutuals are examined at least every five years.
- Out-of-state (foreign) and international (alien) insurers are examined by regulators in their jurisdiction.

Financial Analysis Section

This section monitors the solvency and legal compliance of all insurance companies doing business in Missouri. The section also controls joint deposits held by Missouri law as security for policyholders. The securities are in contracted bank accounts. Security balances are verified monthly via bank statements.

By year's end, the department held $256.4 million in joint deposits.

Admissions Section

This section issues licenses, known as certificates of authority, to insurance companies doing business in Missouri. The section issues a license after financial and policy analysts review a company's financial health, proposed forms and history.

The section also enforces laws governing 1,586 regulated entities. These are not insurance companies, but they provide some type of insurance-related product. Examples are providers of service contracts for motor vehicles and homes, discount medical plans and third-party administrators.

Taxation Section

This section determines premium taxes, which insurance companies pay in lieu of income taxes. Insurers file tax returns with DIFP by March 1. After auditing the returns, the department informs the state Department of Revenue the tax due from each company.

The Missouri premium tax rate is 2 percent. These taxes go to general revenue and state school funds.

This section also regulates surplus lines insurers, including the placement of policies and premium tax owed. Surplus lines companies are not licensed insurers, but they provide coverage not typically available in the commercial market. Examples include coverage of shipping, entertainment events, antique cars and terrorism.

VIDEO
Director Fred Heese
on the responsibilities and duties of the Division of Insurance Company Regulation.

Tax collections	2009	2010
Premium sales	$209.9 million	$222.6 million
Workers' compensation	8.7 million	12.5 million
Surplus lines	21.9 million	23.0 million
Captive insurance companies	118,473	489,388
Tax credits (on premium tax only)	75.4M	74.6 million

Captive Insurance Section

Captive insurance companies provide in-house insurance coverage for businesses. They are designed to complement existing insurance coverage as part of the business's overall risk management strategy.

Captives also provide a benefit to the state: Each captive pays premium tax for the business it writes, and captives can create jobs for service providers they employ such as lawyers, accountants, consultants and actuaries. Licensed Missouri captives handle life reinsurance, workers' compensation deductibles, group health and more. About 99 percent of captive premium volume is reinsurance.

John Rehagen, CFE, has directed Missouri's Captive Insurance Program since 2007. Companies interested in bringing captive operations to Missouri may contact:
John.Rehagen@insurance.mo.gov
573-522-2563
insurance.mo.gov/captive

2010 ACHIEVEMENTS

THE DIVISION'S primary focus for 2010, as it has been for the past several years, has been close monitoring of the solvency of Missouri domestic insurance companies.

Insurers, like banks and credit unions examined by DIFP, continue to combat challenges resulting from the economy of the past three years. The division maintains a priority insurer list, consisting of insurance companies whose financial condition is of great concern. This list has grown significantly but is slowly tapering down. Overall, Missouri insurers are financially strong and have adequate levels of capital and surplus.

When an insurer is in danger of insolvency, the division can go to court to ask that the company be placed in receivership. One insurer was placed in receivership in 2010. Receivership protects policyholders by placing a company under the full control of the DIFP director, who then appoints a special deputy receiver.

Examiners **Shannon Schmoeger**, left, and **Albert Shoemaker,** center, answer questions at the 115th annual convention of the Missouri Association of Mutual Insurance Companies in Columbia.

RECEIVERSHIP PROCESSING

This process is overseen by DIFP's Receivership Section, which manages 14 insurance companies in rehabilitation or liquidation. The section manages operations of the companies and determines whether the company can be rehabilitated or should be liquidated. When a company is liquidated, existing policies are either sold or covered by the Missouri Insurance Guaranty Fund, which pays claims for insolvent insurers.

Insurance company changes

	2009	2010
New insurance companies admitted	41	26
New non-insurance companies admitted	85	67
Redomestications	13	23
Mergers	19	17
Name changes	43	45
Lines of authority added	14	12
Company suspensions	7	2
Company dissolutions	1	0
Company withdrawals	29	7

Captive premiums increase to $1.5 billion

The Captive Insurance Section continues to experience growth. In March, the program announced that, based on financial statements for 2010, captives again topped the $1 billion mark. This was more than a tenfold increase over 2008's figure of $123 million. At the end of 2010, the number of licenses issued doubled from six to 12.

MO Captive
CLOSE TO HOME

Captive insurance stats

Captive insurance companies in Missouri wrote $1.5 billion in premiums in 2010 and produced nearly $700,000 in premium tax.

	Written premium	Total captives	Licenses issued
2010	$1.5B	11	6
2009	$1.1B	6	3
2008	$123M	3	1
2007	$30M	2	2

2010 STATS

Financial Analysis Section

- Insurance premium sales: $28.4 billion
- Total capital and surplus at end of 2010: $921.2 billion
- Total admitted assets at end of 2010: $4.6 trillion

Financial Admissions Section

- Total licensed insurance companies: 1,894
  Domestic (Missouri) insurers: 204
  Foreign (out-of-state) insurers: 1,563
  Alien (non-U.S.) insurers: 127
- Registered entities (non-insurance companies regulated by DIFP): 1,586

Taxation Section

- Missouri premium tax rate: 2%
- Premium taxes paid to general revenue and state school funds: $235 million

Administration Division

- Protects consumers by licensing insurance agents, bail bond agents and public adjusters. Licensing includes review of qualifications, education, criminal history and compliance with Missouri law.
- Provides administrative support to all divisions of DIFP, including accounting, human resources, budget and information technology

DIVISION STRUCTURE

Licensing Section

This section licenses insurance and bail bond agents doing business in Missouri.

Discipline of licensees is handled by the department's Consumer Affairs Division.

CLAIM program

The division oversees the CLAIM program, which provides free counseling for Missouri consumers with Medicare and their caregivers. CLAIM is funded by DIFP and Medicare.

Consumers can visit missouriclaim.org or call 800-390-3330.

FY 2011 budget: $38.1 M

Insurance divisions: $15.2M	Finance: $7.1M
Professional Registration: $14.6M	Credit Unions: $1.2M

Human Resources Section

This section administers employee pay and benefits, develops and implements employee policies and procedures, recruits applicants and trains employees.

Budget Section

DIFP's fiscal year 2011 operating budget is $38.1 million with 550 full-time employees.

The department receives no general revenue and is funded through fees from industries the department regulates.

Support Services Section

This section is responsible for the fiscal management of state insurance funds, including accounts payable, accounts receivable, contracts and procurement, as well as support functions such as mail room, inventory and fleet management.

DIFP organizational chart

VIDEO
Director Grady Martin
on the responsibilities and duties of the Division of Administration.

2010 STATS

Total number of licensees in December 2010: 134,520

Insurance producers (agents)	119,033	General bail bond agents	146	Public adjusters	67	Surplus lines producers	1,230
Business entity producers	12,879	General bail bond corporations	10	Public adjuster solicitors	6	Organizational credit business entity providers	202
Bail bond agents	886	Surety recovery agents	30	Public adjuster corporations	20	Temporary title producers	14

2010 ACHIEVEMENTS

THE LICENSING Section began online licensing in April 2009, which greatly speeds up the processing time for complete applications. Insurance agents now have the option to apply and renew online through the National Insurance Producer Registry.

In July 2010, the section took the technology a step further by creating the Renew in 3 Web page.

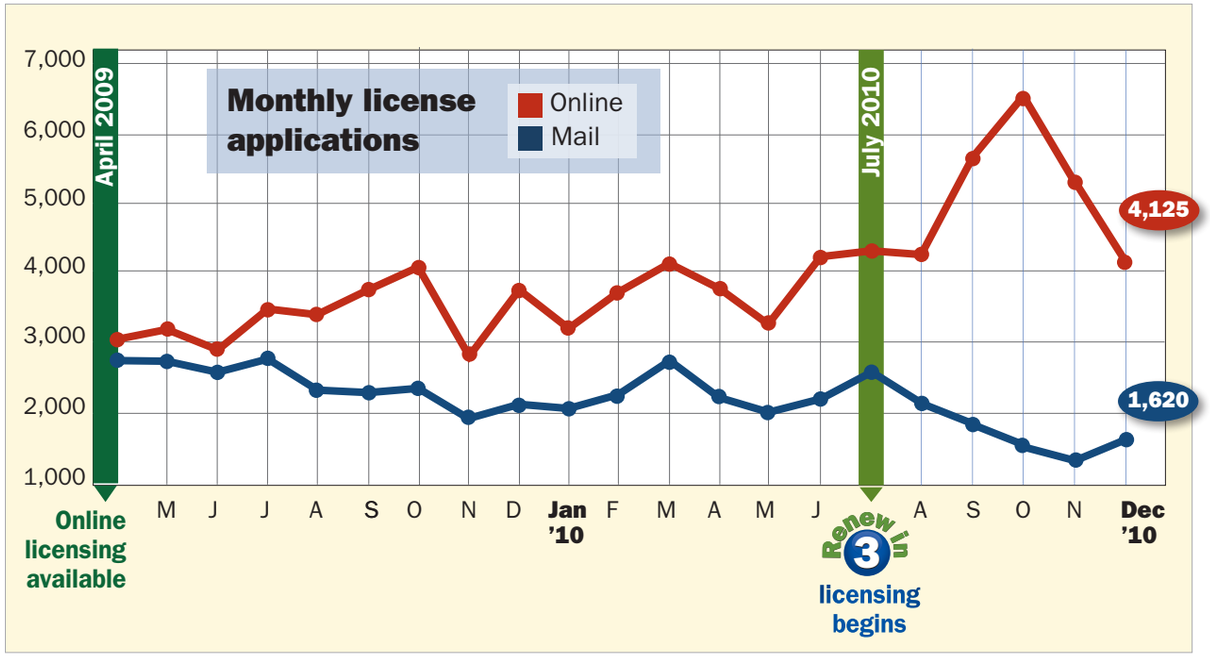
This gives insurance agents an easy three-step online process for renewing licenses, which is required every two years.

For the last month of 2010, 72 percent of agents renewed electronically. At the end of 2009, before Renew in 3 began, that monthly number was 64 percent.

At the end of 2010, the division's director, Rochelle Hendrickson, retired after 28 years in state government. DIFP's seven-year budget officer, Grady Martin, was named to lead the division.

insurance.mo.gov/renewin3

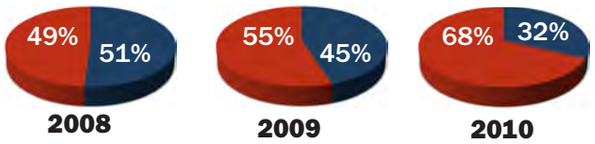
allows insurance agents to file and renew online in three easy steps.



More licensees filing, renewing online

Online Mail

The percentage of insurance agents applying electronically has increased from 49 percent two years ago to 68 percent in 2010.



Finance Division

- Enforces laws for banks, trust companies, savings and loans, mortgage brokers and consumer credit lenders in Missouri
- Assists consumers with complaints and inquiries
- Analyzes the safety and soundness of financial institutions for Missouri depositors through financial examinations

DIVISION STRUCTURE

Banks and Trust Section

This section regulates and examines state-chartered banks and trust companies for solvency to protect depositors. Banks can choose either a federal or a state charter, and about 90 percent of banks in Missouri are state-chartered.

Federally chartered banks are regulated by the Office of the Comptroller of the Currency. Customer deposits are insured by the Federal Deposit Insurance Corp., or FDIC. The section also regulates six state-chartered savings and loan associations. Federal savings institutions are regulated by the Office of Thrift Supervision.

It's the law

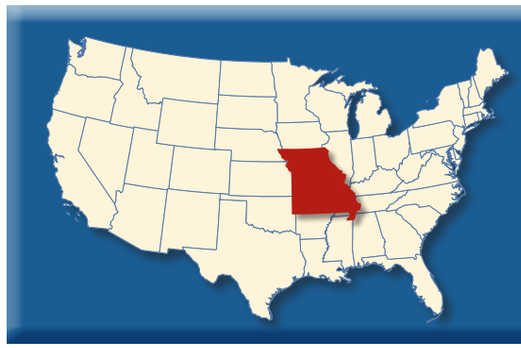
The division must examine institutions rated satisfactory at least once every 18 months. Others must be examined at least once every 12 months.

Consumer Credit Section

This section enforces state and federal laws governing consumer transactions, including Truth-in-Lending and anti-discrimination laws. It also handles consumer complaints and inquiries.

Companies licensed and examined by this section include payday lenders, title lenders, consumer installment lenders, small loan companies, debt adjustors and companies that issue money orders, traveler's checks or transmit funds electronically.

The section also enforces anti-discrimination ("redlining") laws for state-regulated lenders and mortgage brokers. These laws prohibit discrimination in residential real estate loans based on property location, race, age, sex, marital status, religion or national origin of the borrower.



We're No. 5

- Missouri ranks fifth in the nation in the number of state-chartered banks with 275.
- About 90 percent of Missouri banks are state-chartered.

Companies regulated by Consumer Credit Section

Payday lenders	1,030
Consumer installment lenders	664
Small loan lenders	454
Title loan lenders	288
Motor vehicle time sales lenders	134
Missouri financing institutions	75
Premium finance companies	67
Companies that issue money orders, traveler's checks or transmit funds electronically	60
Debt adjusters	41
Credit service organizations	29

The section issues reports to the Governor on payday lending and redlining laws. They can be found at finance.mo.gov.

VIDEO
Commissioner Rich Weaver
on the responsibilities and duties of the Division of Finance.

Mortgage Licensing Section

This section regulates mortgage brokers and mortgage loan originators through licensing and investigation. A mortgage broker is a company, while a mortgage originator is an individual, normally employed by a mortgage broker. Employees of depository institutions (banks and credit unions) are exempt from licensing.

The section investigates license applicants for character (including criminal history), general fitness, experience and financial responsibility (including credit history).

2010 STATS

Companies and individuals regulated by Division of Finance: 6,074

- State-chartered banks in Missouri: 275
- Savings and loan associations: 6
- Nondeposit trusts: 6
- Mortgage brokers: 383
- Mortgage loan originators: 2,562
- Consumer credit lenders: 2,842

2010 ACHIEVEMENTS

Division protects consumer deposits during tough times

2010 was another challenging year for a banking industry that continues to deal with repercussions of the worst economic recession since the Great Depression. Close oversight and examination by the division ensured the safety of customer deposits in state-chartered banks.

The division closed five state-chartered banks in 2010 and oversaw smooth transitions to new buyers. Each of the five institutions was acquired the same day by a solvent bank.

There was no interruption of banking services to Missouri consumers: Each bank opened for business the next day, depositors were able to deposit and withdraw funds, use debit and ATM cards, make loan payments, do business at the branches and even use up existing stocks of checks. Most important, no depositor lost a cent due to these closings.

The division's list of troubled banks has continued to lengthen, but state-chartered banks are well protected by substantial capital and loan loss reserves. While large loan losses continue to hamper bank earnings, signs of improvement are starting to surface, and the overall condition of Missouri banks remains strong.

Nearly $1 million returned to consumers

The Consumer Credit Section handles complaints and inquiries from Missouri consumers about their banks and lenders. In 2010, the section returned more than $900,000 to consumers.

finance.mo.gov lets you search for state-chartered banks

The majority of these refunds were paid by lenders who had charged excessive interest and fees on consumer loans. Included were payday lenders, title lenders, consumer installment lenders, banks and other finance companies licensed by the Division of Finance.

The excessive charges were discovered during examinations by the Consumer Credit Section.

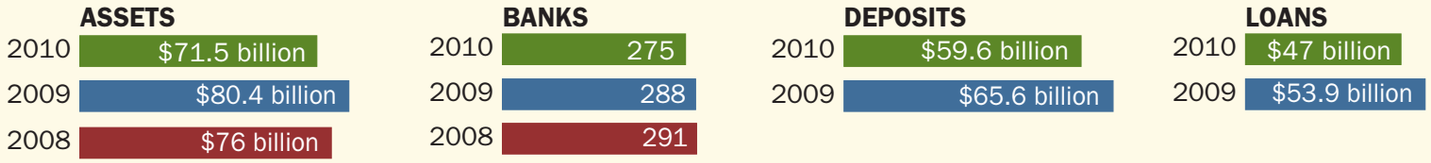
Mortgage originators now licensed by DIFP

The Mortgage Licensing Section began issuing licenses to mortgage originators in the summer of 2010, in accordance with new state and federal laws. Formally the Mortgage Broker Section, the unit was renamed to reflect its oversight of individuals (originators) as well as companies (brokers).

The section spent much of 2010 preparing for and implementing the new law, including investigating and ultimately licensing more than 2,500 originators.

Finance year-end stats

Bank assets, deposits and loans all have decreased since 2009 while the number of banks also has decreased due to mergers and acquisitions.



Credit Unions Division

- Monitors the financial condition of state-chartered credit unions to protect depositors
- Assists consumers with complaints and inquiries

DIVISION STRUCTURE

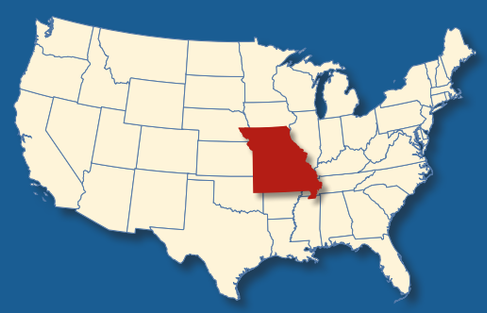
Credit union regulator

This division regulates and examines state-chartered credit unions for solvency to protect depositors. The division also responds to consumer inquiries and complaints about credit unions.

Credit unions can choose to be state or federally chartered. Federally chartered credit unions are regulated by the National Credit Union Administration (NCUA). Regardless of the type of charter, customer deposits are insured by the NCUA.

The Division of Credit Unions is an accredited agency through the National Association of State Credit Union Supervisors.

It's the law The division is required to examine qualifying state-chartered credit unions at least every 18 months.



We're No. 8

- Missouri ranks eighth in the nation in the number of state-chartered credit unions with 127.
- About 1.2 million people are members of credit unions in Missouri.

The division proactively performs off-site monitoring on an ongoing basis to help identify increasing risk. Credit unions facing financial, operational or compliance problems receive increased attention, which may come in the form of enforcement actions.

VIDEO
Director Ken Bonnot
on the responsibilities and duties of the Division of Credit Unions.

Credit Unions year-end stats

Assets and deposits have increased while the number of credit unions has decreased due to mergers. Loan numbers remain even.

	ASSETS	CREDIT UNIONS	DEPOSITS	LOANS
2010	$9.7 billion	127	$8.4 billion	$6 billion
2009	$9.4 billion	132	$7.9 billion	$6.1 billion
2008	$8.5 billion	139		

2010 ACHIEVEMENTS

Consumer deposits protected during stressful economy

2010 saw continued stress on state-chartered credit unions, which continue to face repercussions from the recession. Some problem credit unions merged with larger and stronger credit unions, a positive development for depositors.

The end of 2010 brought a significant achievement: The number of credit unions on the division's problem list was the lowest in recent history. Another positive note: Again in 2010, there were no credit union failures and no losses to the NCUA's insurance fund.

Picture improves for loan losses, past due loans

In a sign of improvement, both the percentage of past due loans and loans charged off by Missouri credit unions decreased from 2009.

Also, the operating expenses of Missouri credit unions noted a decrease as credit unions tighten their budgets. Profitability increased in 2010, despite continued assessments by the National Credit Union Administration to cover losses by national corporate credit unions and retail credit unions in coastal states.

Assets of credit unions increased again in 2010, likely due to consumers' preference for placing their investments in more conservative accounts, rather than in the stock market, which may be seen as volatile.

cu.mo.gov
lets you search for state-chartered credit unions

Professional Registration Division

- Protects consumers by licensing professionals and companies to ensure they meet the requirements of Missouri law. Licensing includes review of qualifications, education and criminal history
- Processes applications, determines qualification and conducts investigations into potential misconduct for 242 professions, including doctors, nurses, funeral homes, CPAs and architects

DIVISION STRUCTURE

Board licensing, discipline

Licensing and discipline are handled by 40 boards housed within the division. Boards review applications, issue licenses, and investigate and discipline licensed professionals and businesses.

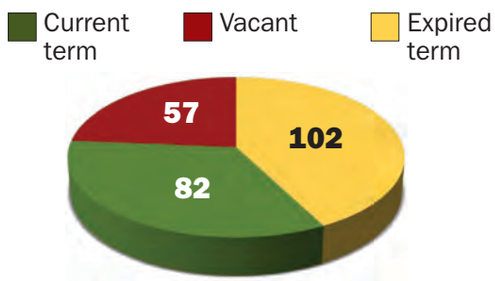
The division's 241 board members are appointed by the governor with the consent of the state Senate for terms established by statutes governing each board. The division receives no general revenue and is fully funded by the fees paid by licensees.

The division's Administrative Unit includes the division director and provides human resources, budget, legislation, information technology and other functions to all boards.

Some boards have dedicated investigators and inspectors, while others use the division's Central Investigative Unit. These teams respond to complaints about licensees and visit salons, barber shops, funeral homes, tattoo shops and other facilities to check for compliance with state laws and regulations.

Board member status

The division and Governor's Office fill vacancies and replace board members whose terms have expired. At the end of 2010, 34 percent of the 241 professional licensing board seats were held by members serving current terms.



Qualified, energetic professionals interested in serving on a board can complete an application at

governor.mo.gov/boards

Disciplinary procedures

To discipline a licensee, boards in most cases must file a complaint with the Administrative Hearing Commission (part of the Office of Administration), which determines whether there is cause for discipline. When cause is found, boards have authority to suspend or revoke licenses, put a licensee on probation or order continued education.

The professional licensing boards emphasize the importance of education and continuing education. As a result, licensees better understand the regulations governing their professions, provide improved service for Missourians and generate fewer complaints to the boards.

VIDEO
Director Jane Rackers
on the responsibilities and duties of the Division of Professional Registration.

2010 STATS

- Boards and commissions supported: 40
- Professions licensed: 242
- Licensed professionals and businesses: More than 400,000
- Licensing fees collected: $18.86 million

2010 ACHIEVEMENTS

Technology saving time, money for division

The division continues to embrace technology to cut costs, reduce staff time and increase efficiency. Most boards now provide members with documents electronically before board meetings to save paper, printing costs and hours. This allows members attending board meetings to use laptop computers to access applications, legal files, copies of regulations and all other documents pertaining to items on the board's meeting agenda.

The boards continue to move toward an electronic licensing and application process, which saves on paper and printing and allows faster processing for clean applications and more efficient use of staff time.

The Committee for Social Workers in 2010 began using an online service for new applicants. These individuals can now visit the division's website to check the status of their application, rather than having to call or write to the committee. With the system up and running smoothly, other boards have implemented a similar process and more will follow. This is an example of the division achieving efficiency by taking the successful experiences of one board and applying it to many others.

The Board of Nursing in 2010 voted to support funding for the Caring for Missourians program. This program, led by Gov. Jay Nixon, seeks to address the shortage of health care workers nationwide and in Missouri. The board voted to allow money from its dedicated fund to be appropriated to colleges and universities in Missouri that provide nursing education.

Private investigators licensed

Missouri began licensing private investigators in 2010, through the division's Board of Private Investigator Examiners. Missouri law now requires licensing for this profession, with exemptions that include lawyers, insurance company employees and government workers. The board now licenses 250 private investigators and 94 private investigation agencies.

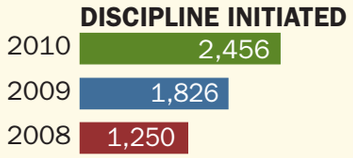
pr.mo.gov lets you search for professionals

New autism law requires licensing of behavior analysts

Also licensed for the first time in 2010 were behavior analysts, under Missouri's new autism law. The law requires health insurance companies to provide coverage for certain autism treatments. Anyone providing applied behavior analysis must now be licensed by the division, with exemptions for psychologists and psychiatrists. The Behavior Analyst Advisory Board began licensing in December and has licensed about 70 individuals.

Professional Registration year-end stats

The number of professionals is about the same as 2009 while the number of disciplinary actions against them has nearly doubled since 2008.



PROFESSIONALS REGULATED BY BOARDS AND COMMISSIONS

The state's professional licensing boards and commissions inspect everything from financial operations of CPAs to hygienic practices of hair salons and tattoo artists to fair treatment of consumers' finances through preneed funeral contracts. The division regulates 422,189 individuals and companies.

Accountants	19,970
Acupuncturists	97
Athlete agents	68
Athletics: Professional boxers, wrestlers and mixed martial arts	1,110
Architects, professional engineers, professional land surveyors and landscape architects	23,588
Behavior analysts	12
Chiropractors	2,274
Cosmetologists and barbers	80,909
Counselors (professional)	4,752
Dentists and dental hygienists	7,708
Dietitians	1,690
Embalmers and funeral directors	6,131
Cemeteries (endowed care)	136
Geologists	840

OVERSEEING PROFESSIONAL BOXING

Above: A boxer gets his hands wrapped as (from left, back) state inspectors Jerry Galleano, Scott Geist and Jim Boucher oversee.

Far left: Using his official scale, Office of Athletics Director Tim Lueckenhoff, center, announces a boxer's weight. The Scottrade Center in St. Louis hosted a fight put on by boxing promoter Don King (with wild hair in back).

Healing arts: Physicians and surgeons; Physician assistants; Physical therapists and assistants; Speech language pathologists; Clinical audiologists; Clinical perfusionists; Anesthesiologist assistants; Audiologists; Athletic trainers	38,878
Hearing instrument specialists	267
Interior designers	72
Interpreters	708
Marital and family therapists	198
Massage therapists	7,353
Nurses	122,961
Occupational therapists	4,158
Optometrists	1,254
Pharmacists, pharmacies and pharmacy technicians	32,597
Podiatrists	331
Private investigators	604
Psychologists	2,084
Real estate appraisers	2,543
Real estate agents and brokers	43,113
Respiratory care practitioners	4,081
Social workers (clinical)	5,397
Tattoo, body piercing and Branding artists	1,737
Veterinarians and vet technicians	4,568

Online complaint forms
@ difp.mo.gov

File a complaint against **licensed professionals** such as doctors, nurses and barbers or **businesses** such as insurance companies, banks, credit unions, mortgage brokers, lenders and vehicle service contract providers.

Harry S Truman Building, Room 530
301 W. High St.
PO Box 690
Jefferson City, MO 65102
573-751-4126

DIFP
Department of Insurance, Financial Institutions & Professional Registration

Missouri Department of Insurance, Financial Institutions & Professional Registration

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