

**Title 20 – DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS  
AND PROFESSIONAL REGISTRATION  
Division 700 –Insurance Licensing  
Chapter 1 – Insurance Producers**

**PROPOSED AMENDMENT**

**20 CSR 700-1.145 Standards of Commercial Honor and Principles of Trade in Life, Annuity and Long Term Care Insurance Sales.** The department is amending section (1) of this rule.

*PURPOSE OF AMENDMENT: This amendment codifies the professional duty to make appropriate recommendations for all life insurance, annuity and long term care contracts.*

*PURPOSE: This rule implements the requirements of section 375.141.1(8), RSMo, with respect to the demonstration of incompetence, untrustworthiness or financial irresponsibility of producers in the offer, sale or exchange of life **insurance, annuities and long term care insurance.***

(1) Grounds for the discipline or disqualification of producers shall include, in addition to other grounds specified in section 375.141, RSMo, failure to comply with or violation of the following professional standards of conduct:

(A) Producers, in the conduct of *[variable]* life **insurance, [and variable] annuity, and long term care insurance** business, shall observe high standards of commercial honor and just and equitable principles of trade. Implicit in a producer's relationship with customers is the fundamental responsibility of fair dealing. Practices that violate this responsibility of fair dealing include, but are not limited to, the following:

1. Inducing an exchange or switch of a *[variable]* life, *[or variable] annuity, or long term care insurance* contract with insignificant benefit to the consumer, but for the purpose of accumulating commissions by the producer; and

2. Causing the execution of transactions that are not authorized by customers or the sending of confirmations in order to cause customers to accept transactions not actually agreed upon; and

(B) Producers shall not materially aid any other person in any violation or failure to comply with any standard set forth in this rule.

*AUTHORITY: sections 374.040, 374.045, 375.013, 375.143, and 376.309.6, RSMo.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500.00) in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500.00) in the aggregate.*

*NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: A public hearing will be held on this proposed amendment at 10:00 a.m. on February 7, 2008. The public hearing will be held at the Harry S. Truman State Office Building, 301 West High Street, Room 530, 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 or in opposition to the proposed amendment, until 5:00 p.m. on February 7, 2008. Written statements shall be sent to Tamara Kopp, Department of Insurance, Financial Institutions and Professional Registration, P.O. 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 working days prior to the hearing.*