

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

ORDER OF RULEMAKING

By the authority vested in the director of the Missouri Department of Insurance, Financial Institutions and Professional Registration under section 374.045, RSMo 2000, the director adopts a rule as follows:

20 CSR 700-1.020 Transacting Business as an Insurance Producer **is adopted.**

A notice of proposed rulemaking containing the text of the amendment rule was published in the *Missouri Register* on January 2, 2008 (32 MoReg 76-77). No changes have been made in the text of the proposed amendment rule, so it is not reprinted here. This proposed amendment rule becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS:

COMMENT #1: Gary Hoffman, on behalf of Kansas City Life Insurance Company, Old American Insurance Company, and Sunset Life Insurance Company of America, commented that the proposed amendment is overbroad and sets a standard for producer licensing that is beyond the requirements of governing statutes because the amendment would require licensing if there is a conversation relating to the terms of an insurance contract. Mr. Hoffman suggested (1)(C)2. be modified as follows:

2. Disseminating buyer's guides, applications for coverage, coverage selection forms, or other similar forms in response to a request from prospective or current policyholders, **so long as the person who is disseminating such forms does not sell, solicit or negotiate insurance.**

RESPONSE: The director disagrees with this comment. The director is permitted to clarify terms used in statutes. In this proposed rule, the director is clarifying what activities are included in "solicitation" of an insurance contract. Discussing the terms of an insurance contract requires specialized knowledge such that, if an individual does not have the required knowledge, consumers may be harmed by misinformation. To avoid potential consumer harm, the director has defined "solicitation" to include the discussion of insurance contract terms. Thus, when a person discusses insurance contract terms, he or she engages in "solicitation" and must be licensed as an insurance producer. No changes have been made to the rule as a result of this comment.