



MISSOURI DEPARTMENT OF INSURANCE,
 FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
**MOTOR VEHICLE EXTENDED SERVICE CONTRACT
 PROVIDER REGISTRATION**

PO BOX 690
 JEFFERSON CITY, MO 65102

NEW RENEWAL AMENDED

INSTRUCTIONS

This registration must be accompanied by a registration fee equal to \$500. Each provider must register annually between January 1 and February 1 of each calendar year following the calendar year in which the provider originally registered. PERSONAL CHECKS ARE NOT ACCEPTED. Amended active registrations do not require an additional provider fee.

SECTION 1. PROVIDER INFORMATION (TYPE OR PRINT)

PROVIDER NAME _____

BUSINESS ADDRESS (PHYSICAL ADDRESS, CITY, STATE, ZIP CODE) _____

MAILING ADDRESS (ADDRESS, CITY, STATE, ZIP CODE) _____

BUSINESS TELEPHONE _____	BUSINESS CONTACT NAME _____	BUSINESS EMAIL ADDRESS _____
--------------------------	-----------------------------	------------------------------

SECTION 2. ADMINISTRATOR INFORMATION

DOES THIS PROVIDER USE THE SERVICES OF ONE OR MORE ADMINISTRATORS?
 Yes No

DOES THE ADMINISTRATOR EFFECT COVERAGE, COLLECT FEES AND SETTLE CLAIM ON YOUR BEHALF?
 Yes No If yes, enter Administrator's Motor Vehicle Extended Service Business Entity Producer License Number _____

ADMINISTRATOR NAME _____

BUSINESS ADDRESS (STREET NUMBER AND NAME, CITY, STATE, ZIP CODE) _____

MAILING ADDRESS (STREET NUMBER AND NAME, CITY, STATE, ZIP CODE) _____

SECTION 3. FINANCIAL RESPONSIBILITY

How will this Provider assure the faithful performance of the provider's obligations to its contract holder? Check which one of the following methods this Provider will use to assure such performance:

- A. Insure all service contracts under a reimbursement insurance policy issued by an insurer authorized to transact insurance in this state (if checked, a copy of entire insurance policy must be attached to this application, along with proof that policy is current and in effect).
- B. Maintain a funded reserve account and place in trust with the Missouri Department of Insurance, Financial Institutions and Professional Registration a financial security deposit (if checked, registration is not complete until the Department states in writing that it has confirmed such reserve account and financial security deposit). If applicable, attach surety bond.
- C. Maintain a net worth of at least one hundred million dollars (\$100,000,000). If checked, one of the following must be attached.
 - 1. Provider's most recent Form 10-K filed with the Securities and Exchange Commission (SEC).
 - 2. Provider's audited financial statements, which must be: (1) prepared as of the end of the calendar quarter ending no more than one year prior to the filing of this registration; (2) prepared in accordance with accounting principles generally accepted in the United States of America (USA); and (3) audited by an independent certified public accountant (CPA) in accordance with auditing standards generally accepted in the USA. The CPA's audit report must accompany such financial statements.
 - 3. Provider's parent company's written agreement to guarantee the obligation of the Provider relating to service contracts sold by the Provider in this state and one of the following (check applicable additional attachment):
 - a. Provider's parent company's most recent Form 10-K filed with the Securities and Exchange Commission (SEC).
 - b. Provider's parent company's audited financial statements, which must be: (1) prepared as of the end of a calendar quarter ending no more than one year prior to the filing of this Provider Exhibit; (2) prepared in accordance with accounting principles generally accepted in the United States of America (USA); and (3) audited by an independent certified public accountant (CPA) in accordance with auditing standards generally accepted in the USA. The CPA's audit report must accompany such financial statements.

SECTION 4. BACKGROUND INFORMATION

Under Section 385.209.1., the director may suspend, revoke, refuse to issue, or refuse to renew a provider’s registration or license for any of the causes outlined in the statute. Please read the following very carefully and answer every question as it relates to the Provider and, if applicable, to the provider’s subsidiaries or affiliated entities. If the answer to any of the below is “yes”, please provide a full explanation and certified documents where applicable.

All written statements submitted by the Provider must include an original signature. Please note that failure to disclose information relevant to this section may constitute cause for refusal to register the Provider or cause for discipline against the Provider’s registration.

To your knowledge, have you or any of your subsidiaries or affiliated entities acting on your behalf:

- a) Violated any provision in sections 385.200 to 385.220, or violated any rule, subpoena or order of the director? Yes No
- b) Misappropriated or converted any moneys or properties received in the course of doing business? Yes No
- c) Been convicted of any felony? Yes No
- d) Used fraudulent, coercive, or dishonest practices or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere? Yes No
- e) Been found in violation of a law by a court of competent jurisdiction in an action instituted by any officer of any state of the United States in any matter involving motor vehicle extended service contracts, financial services, investments, credit, insurance, banking or finance? Yes No
- f) Been refused a license or had a license revoked or suspended by a state or federal regulator of service contracts, financial services, investments, credit, insurance, banking or finance? Yes No
- g) Signed the name of another to an application or license or to any document related to motor vehicle extended service contract transactions without authorization? Yes No
- h) Unlawfully acted as a motor vehicle extended service contract producer without a license? Yes No
- i) Failed to comply with any administrative or court order directing payment of state or federal income tax? Yes No
- j) Within the last fifteen years been declared insolvent by the director or a motor vehicle extended service contract regulator of another state or been the subject of a bankruptcy petition? Yes No

SECTION 5. ATTACHMENTS

- If the provider is not an individual, attach a current dated certified copy of the provider’s certificate of good standing, fictitious name registration or similar certification, from the Missouri Secretary of State. If using a DBA, submit a certified copy of the Certificate in Fact.
- If using more than one administrator, attach a sheet listing additional administrators named under section 2.
- Current dated documents required under Section 3.
- Documents relating to Section 4, Background Information, including an original signature on written statements.
- Pursuant to 385.211, attach a copy of the register of Motor Vehicle Extended Service Contract Business Entity Producers authorized in this state, including full legal name, address and license number.

SECTION 6. PROVIDER’S CERTIFICATION AND ATTESTATION

The undersigned affirms or swears under penalty of perjury that: (1) the information stated in this registration and any attachments thereto is true and correct to the best of his or her belief, information and knowledge, and (2) the undersigned has read and understood the legal requirements printed with this form. Must be signed by an officer, director or partner of the Provider or member or manager if a limited liability company.

SIGNATURE	TYPED OR PRINTED NAME	TITLE
-----------	-----------------------	-------

ADDRESS, CITY, STATE, ZIP CODE

NOTARY PUBLIC EMBOSSER OR BLACK INK RUBBER STAMP SEAL	STATE	COUNTY (OR CITY OF ST. LOUIS)	
	SUBSCRIBED AND SWORN BEFORE ME, THIS		
	DAY OF	YEAR	USE RUBBER STAMP IN CLEAR AREA BELOW.
	NOTARY PUBLIC SIGNATURE	MY COMMISSION EXPIRES	
NOTARY PUBLIC NAME (TYPED OR PRINTED)			

385.200. As used in sections 385.200 to 385.220, the following terms mean:

- (1) "Administrator", the person other than a provider who is responsible for the administration of the service contracts or the service contracts plan or for any filings required by sections 385.200 to 385.220;
- (2) "Business entity", any partnership, corporation, incorporated or unincorporated association, limited liability company, limited liability partnership, joint stock company, reciprocal, syndicate, or any similar entity;
- (3) "Consumer", a natural person who buys other than for purposes of resale any tangible personal property that is distributed in commerce and that is normally used for personal, family, or household purposes and not for business or research purposes;
- (4) "Dealers", any motor vehicle dealer or boat dealer licensed or required to be licensed under the provisions of sections 301.550 to 301.573;
- (5) "Director", the director of the department of insurance, financial institutions and professional registration;
- (6) "Maintenance agreement", a contract of limited duration that provides for scheduled maintenance only;
- (7) "Manufacturer", any of the following:
 - (a) A person who manufactures or produces the property and sells the property under the person's own name or label;
 - (b) A subsidiary of the person who manufactures or produces the property;
 - (c) A person who owns one hundred percent of the entity that manufactures or produces the property;
 - (d) A person that does not manufacture or produce the property, but the property is sold under its trade name label;
 - (e) A person who manufactures or produces the property and the property is sold under the trade name or label of another person;
 - (f) A person who does not manufacture or produce the property but, under a written contract, licenses the use of its trade name or label to another person who sells the property under the licensor's trade name or label;
- (8) "Mechanical breakdown insurance", a policy, contract, or agreement issued by an authorized insurer who provides for the repair, replacement, or maintenance of a motor vehicle or indemnification for repair, replacement, or service, for the operational or structural failure of a motor vehicle due to a defect in materials or workmanship or to normal wear and tear;
- (9) "Motor vehicle extended service contract" or "service contract", a contract or agreement for a separately stated consideration and for a specific duration to perform the repair, replacement, or maintenance of a motor vehicle or indemnification for repair, replacement, or maintenance, for the operational or structural failure due to a defect in materials, workmanship, or normal wear and tear, with or without additional provision for incidental payment of indemnity under limited circumstances, including but not limited to towing, rental, and emergency road service, but does not include mechanical breakdown insurance or maintenance agreements;
- (10) "Nonoriginal manufacturer's parts", replacement parts not made for or by the original manufacturer of the property, commonly referred to as after-market parts;
- (11) "Person", an individual, partnership, corporation, incorporated or unincorporated association, joint stock company, reciprocal, syndicate, or any similar entity or combination of entities acting in concert;
- (12) "Premium", the consideration paid to an insurer for a reimbursement insurance policy;
- (13) "Producer", any business entity or individual person selling, offering, negotiating, or soliciting a motor vehicle extended service contract and required to be licensed as a producer under subsection 1 of section 385.206;
- (14) "Provider", a person who is contractually obligated to the service contract holder under the terms of a motor vehicle extended service contract;
- (15) "Provider fee", the consideration paid for a motor vehicle extended service contract by a service contract holder;
- (16) "Reimbursement insurance policy", a policy of insurance issued to a provider and under which the insurer agrees, for the benefit of the motor vehicle extended service contract holders, to discharge all of the obligations and liabilities of the provider under the terms of the motor vehicle extended service contracts in the event of nonperformance by the provider. All obligations and liabilities include, but are not limited to, failure of the provider to perform under the motor vehicle extended service contract and the return of the unearned provider fee in the event of the provider's unwillingness or inability to reimburse the unearned provider fee in the event of termination of a motor vehicle extended service contract;
- (17) "Service contract holder" or "contract holder", a person who is the purchaser or holder of a motor vehicle extended service contract;
- (18) "Warranty", a warranty made solely by the manufacturer, importer, or seller of property or services without charge, that is not negotiated or separated from the sale of the product and is incidental to the sale of the product, that guarantees indemnity for defective parts, mechanical or electrical breakdown, labor, or other remedial measures, such as repair or replacement of the property or repetition of services.

Issuance of contracts, criteria--registration required--duties of providers--exemption from state licensure.

385.202. 1. Motor vehicle extended service contracts shall not be issued, sold, or offered for sale in this state unless the provider or its designee has:

- (1) Provided a receipt for the purchase of the motor vehicle extended service contract to the contract holder at the date of purchase;
 - (2) Provided a copy of the motor vehicle extended service contract to the service contract holder within a reasonable period of time from the date of purchase; and
 - (3) Complied with the provisions of sections 385.200 to 385.220.
2. All providers of motor vehicle extended service contracts sold in this state shall file a registration with the director on a form, at a fee and at a frequency prescribed by the director.
3. In order to assure the faithful performance of a provider's obligations to its contract holders, each provider who is contractually obligated to provide service under a motor vehicle extended service contract shall:
- (1) Insure all motor vehicle extended service contracts under a reimbursement insurance policy issued by an insurer authorized to transact insurance in this state; or
 - (2) (a) Maintain a funded reserve account for its obligation under its contracts issued and outstanding in this state. The reserves shall not be less than forty percent of gross consideration received, less claims paid, on the sale of the motor vehicle extended service contract for all in-force contracts. The reserve account shall be subject to examination and review by the director; and
 - (b) Place in trust with the director a financial security deposit, having a value of not less than five percent of the gross consideration received, less claims paid, on the sale of the motor vehicle extended service contract for all motor vehicle extended service contracts issued and in force, but not less than twenty-five thousand dollars, consisting of one of the following:
 - a. A surety bond issued by an authorized surety;
 - b. Securities of the type eligible for deposit by authorized insurers in this state;
 - c. Cash;
 - d. A letter of credit issued by a qualified financial institution; or
 - e. Another form of security prescribed by regulations issued by the director; or
 - (3) (a) Maintain a net worth of one hundred million dollars; and
 - (b) upon request, provide the director with a copy of the provider's or, if the provider's financial statements are consolidated with those of its parent company, the provider's parent company's most recent Form 10-K filed with the Securities and Exchange Commission (SEC) within the last calendar year, or if the company does not file with the SEC, a copy of the company's audited financial statements, which shows a net worth of the provider or its parent company of at least one hundred million dollars. If the provider's parent company's Form 10-K or audited financial statements are filed to meet the provider's financial stability requirement, then the parent company shall agree to guarantee the obligations of the obligor relating to motor vehicle extended service contracts sold by the provider in this state.
4. Provider fees collected on motor vehicle extended service contracts shall not be subject to premium taxes. Premiums for reimbursement insurance policies shall be subject to applicable premium taxes.
5. Except for the registration requirement in subsection 2 of this section, persons marketing, selling, or offering to sell motor vehicle extended service contracts for providers that comply with sections 385.200 to 385.220 are exempt from this state's licensing requirements.
6. Providers complying with the provisions of sections 385.200 to 385.220 are not required to comply with other provisions of chapter 374 or 375, RSMo, or any other provisions governing insurance companies, except as specifically provided.

Reimbursement insurance policies, requirements.

385.204. Reimbursement insurance policies insuring motor vehicle extended service contracts issued, sold, or offered for sale in this state shall conspicuously state that, upon failure of the provider to perform under the contract, such as failure to return the unearned provider fee, the insurer that issued the policy shall pay on behalf of the provider any sums the provider is legally obligated to pay or shall provide the service for which the provider is legally obligated to perform according to the provider's contractual obligations under the motor vehicle extended service contracts issued or sold by the provider.

385.205. 1. It is unlawful for any provider that has authorized a motor vehicle extended service contract with a consumer to fail to cause delivery to the consumer of a fully executed motor vehicle extended service contract within a commercially feasible time period, but no more than forty-five days from the date the consumer's initial payment is processed. It is the mailing, or actual delivery of the fully executed contract, whichever is earlier, that commences the free look period under

subsection 14 of section 385.206.

2. It is unlawful for any provider, administrator, producer, or any other person who offers to a consumer a motor vehicle extended service contract, to fail, upon request, to cause delivery to the consumer of an unsigned copy of the written contract prior to the time the consumer's initial payment is processed. An offeror may comply with this provision by providing the consumer with the copy or by directing the consumer to a website containing an unsigned copy of the service contract.
3. A violation of this section is a level two violation under section 374.049.

Requirements for sale of contracts--dealers not to be used as fronting companies--required contract contents.

385.206. 1. It is unlawful for any person in or from this state to sell, offer, negotiate, or solicit a motor vehicle extended service contract with a consumer, other than the following:

- (1) A motor vehicle dealer licensed under sections 301.550 to 301.573, along with its authorized employees offering the service contract in connection with the sale of either a motor vehicle or vehicle maintenance or repair services;
 - (2) A manufacturer of motor vehicles, as defined in section 301.010, along with its authorized employees;
 - (3) A federally insured depository institution, along with its authorized employees;
 - (4) A lender licensed and defined under sections 367.100 to 367.215, along with its authorized employees;
 - (5) A provider registered with the director and having demonstrated financial responsibility as required in section 385.202, along with its subsidiaries and affiliated entities, and authorized employees of the provider, subsidiary, or affiliated entity;
 - (6) A business entity producer or individual producer licensed under section 385.207;
 - (7) Authorized employees of an administrator under contract to effect coverage, collect provider fees, and settle claims on behalf of a registered provider, if the administrator is licensed as a business entity producer under section 385.207; or
 - (8) A vehicle owner transferring an existing motor vehicle extended service contract to a subsequent owner of the same vehicle.
2. No administrator or provider shall use a dealer as a fronting company, and no dealer shall act as a fronting company. For purposes of this subsection, "fronting company" means a dealer that authorizes a third-party administrator or provider to use its name or business to evade or circumvent the provisions of subsection 1 of this section.
 3. Motor vehicle extended service contracts issued, sold, or offered in this state shall be written in clear, understandable language, and the entire contract shall be printed or typed in easy-to-read type and conspicuously disclose the requirements in this section, as applicable.
 4. Motor vehicle extended service contracts insured under a reimbursement insurance policy under subsection 3 of section 385.202 shall contain a statement in substantially the following form: "Obligations of the provider under this service contract are guaranteed under a service contract reimbursement insurance policy. If the provider fails to pay or provide service on a claim within sixty days after proof of loss has been filed, the contract holder is entitled to make a claim directly against the insurance company." A claim against the provider also shall include a claim for return of the unearned provider fee. The motor vehicle extended service contract also shall state conspicuously the name and address of the insurer.
 5. Motor vehicle extended service contracts not insured under a reimbursement insurance policy pursuant to subsection 3 of section 385.202 shall contain a statement in substantially the following form: "Obligations of the provider under this service contract are backed only by the full faith and credit of the provider (issuer) and are not guaranteed under a service contract reimbursement insurance policy." A claim against the provider also shall include a claim for return of the unearned provider fee. The motor vehicle extended service contract also shall state conspicuously the name and address of the provider.
 6. Motor vehicle extended service contracts shall identify any administrator, the provider obligated to perform the service under the contract, the motor vehicle extended service contract seller, and the service contract holder to the extent that the name and address of the service contract holder has been furnished by the service contract holder.
 7. Motor vehicle extended service contracts shall state conspicuously the total purchase price and the terms under which the motor vehicle extended service contract is sold. The purchase price is not required to be preprinted on the motor vehicle extended service contract and may be negotiated at the time of sale with the service contract holder.
 8. If prior approval of repair work is required, the motor vehicle extended service contracts shall state conspicuously the procedure for obtaining prior approval and for making a claim, including a toll-free telephone number for claim service and a procedure for obtaining emergency repairs performed outside of normal business hours.

9. Motor vehicle extended service contracts shall state conspicuously the existence of any deductible amount.
10. Motor vehicle extended service contracts shall specify the merchandise and services to be provided and any limitations, exceptions, and exclusions.
11. Motor vehicle extended service contracts shall state the conditions upon which the use of nonoriginal manufacturer's parts or parts of a like kind and quality or substitute service may be allowed. Conditions stated shall comply with applicable state and federal laws.
12. Motor vehicle extended service contracts shall state any terms, restrictions, or conditions governing the transferability of the motor vehicle extended service contract.
13. Motor vehicle extended service contracts shall state that subsequent to the required free look period specified in subsection 14 of this section, a service contract holder may cancel the contract at any time and the provider shall refund to the contract holder one hundred percent of the unearned pro rata provider fee, less any claims paid. A reasonable administrative fee may be surcharged by the provider in an amount not to exceed fifty dollars. All terms, restrictions, or conditions governing termination of the service contract by the service contract holder shall be stated. The provider of the motor vehicle extended service contract shall mail a written notice to the contract holder within forty-five days of the date of termination. The written notice required by this subsection may be included with any other correspondence required by this section.
14. Motor vehicle extended service contracts shall contain a free look period that requires every provider to permit the service contract holder to return the contract to the provider within at least twenty business days of the mailing date of the motor vehicle extended service contract or the contract date if the service contract is executed and delivered at the time of sale or within a longer time period permitted under the contract. If no claim has been made under the contract and the contract is returned, the contract is void and the provider shall refund to the contract holder the full purchase price of the contract. A ten percent penalty of the amount outstanding per month shall be added to a refund that is not paid within forty-five days of return of the contract to the provider. If a claim has been made under the contract during the free look period and the contract is returned, the provider shall refund to the contract holder the full purchase price less any claims that have been paid. The applicable free-look time periods on service contracts shall apply only to the original service contract purchaser.
15. Motor vehicle extended service contracts shall set forth all of the obligations and duties of the service contract holder, such as the duty to protect against any further damage and the requirement for certain service and maintenance.
16. Motor vehicle extended service contracts shall state clearly whether or not the service contract provides for or excludes consequential damages or preexisting conditions.
17. The contract requirements of subsections 3 to 16 of this section shall apply to motor vehicle extended service contracts made with consumers in this state. A violation of subsections 3 to 16 of this section is a level two violation under section 374.049.
18. A violation of subsection 1 or 2 of this section is a level three violation under section 374.049.

385.207. 1. A business entity, prior to selling, offering, negotiating, or soliciting a motor vehicle extended service contract with a consumer under subdivision (6) or (7) of subsection 1 of section 385.206, shall apply for and obtain licensure with the director as a business entity producer in accordance with this section.

2. A business entity applying for a producer license under sections 385.200 to 385.220 shall make application to the director on an application made available by the director and shall pay an initial and renewal licensure fee in an amount to be determined by the director, but which shall not exceed one hundred dollars for a business entity. All applications shall include the name of the business entity, the business address or addresses of the business entity, the type of ownership of the business entity and information related to section 385.209 as required by the director. If a business entity is a partnership or unincorporated association, the application shall contain the name and address of every person or corporation having a financial interest in or owning any part of the business entity. If the business entity is a corporation, the application shall contain the names and addresses of all officers and directors of the corporation. If the business entity is a limited liability company, the application shall contain the names and addresses of all members and officers of the limited liability company, and a list of all persons employed by the business entity and to whom it pays any salary or commission for the sale, solicitation, negotiation, or procurement of any motor vehicle extended service contract.
3. An individual, prior to selling, offering, negotiating, or soliciting a motor vehicle extended service contract with a consumer under subdivision (6) of subsection 1 of section 385.206, shall apply for and obtain licensure with the director as an individual producer in accordance with this section.
4. An individual applying for a producer license under section 385.200 to 385.220 shall make application to the director on an application made available by the director and shall pay an initial and renewal licensure fee in an amount to be determined by the director, but which shall not exceed twenty-five dollars for an individual producer.

No examination of an applicant under this subsection shall be required.

5. Unless licensure is refused by the director under section 385.209, persons applying for license under this section shall be issued a producer license for a term of two years. A producer's license shall be renewed biennially upon application for renewal and payment of the fee. Such license shall continue in effect unless terminated under subsection 6 of this section, or refused, revoked, or suspended under section 385.209.
6. A producer license issued under this section, if not renewed by the director by its expiration date, shall terminate on its expiration date and shall not after that date authorize its holder under sections 385.200 to 385.220 to sell, offer, negotiate, or solicit motor vehicle extended service contracts.
7. In connection with a business entity's application as a producer and at renewal, the business entity shall provide a list to the director of all locations in this state at which it offers motor vehicle extended service contracts.
8. The director shall adopt rules under section 385.218 relating to licensing and practices of persons acting as a producer under this section.

385.208. 1. It is unlawful for a provider, administrator, producer, or any other person selling, offering, negotiating, or soliciting a motor vehicle extended service contract to:

- (1) Use in its name the words insurance, casualty, guaranty, warranty, surety, mutual, or any other words descriptive of the insurance, casualty, guaranty, or surety business, nor shall such person use a name deceptively similar to the name or description of any insurance or surety corporation, or any other provider, provided that this prohibition shall not apply to any provider or administrator that was using any of the prohibited language in its name prior to January 1, 2011, and it discloses conspicuously in its motor vehicle extended service contract the following statement: "This agreement is not an insurance contract.";
- (2) Directly or indirectly, represent in any manner, whether by telemarketing, broadcast marketing, electronic media, written solicitation or any other advertisement, offer, or solicitation, a false, deceptive, or misleading statement with respect to:
 - (a) An affiliation with a motor vehicle manufacturer or dealer;
 - (b) Possession of information regarding a motor vehicle owner's current motor vehicle manufacturer's original equipment warranty;
 - (c) The expiration of a motor vehicle owner's current motor vehicle manufacturer's original equipment warranty;
 - (d) A requirement that such motor vehicle owner register for a new motor vehicle extended service contract with such provider in order to maintain coverage under the motor vehicle owner's current motor vehicle extended service contract or manufacturer's original equipment warranty; or
 - (e) Any term or provision of a motor vehicle extended service contract.

A violation of this subsection is a level three violation under section 374.049.

2. It is unlawful for any person, in connection with the offer, sale, solicitation, or negotiation of a motor vehicle extended service contract, directly or indirectly to:
 - (1) Employ any deception, device, scheme, or artifice to defraud;
 - (2) As to any material fact, make or use any misrepresentation, concealment, or suppression;
 - (3) Engage in any pattern or practice of making any false statement of material fact; or
 - (4) Engage in any act, practice, or course of business which operates as a fraud or deceit upon any person.

A violation of this subsection is a level three violation under section 374.049.

3. Any person who knowingly employs, uses, or engages in any conduct in violation of subsection 2 of this section with the intent to defraud shall be guilty of a felony and, upon conviction, may be subject to imprisonment for a term not to exceed ten years. In addition to any fine or imprisonment imposed, a court may order restitution to the victim.
4. A person, such as a bank, savings and loan association, lending institution, manufacturer or seller of any product, shall not require the purchase of a service contract as a condition of a loan or a condition for the sale of any property. A violation of this subsection is a level one violation under section 374.049.

385.209. 1. The director may suspend, revoke, refuse to issue, or refuse to renew a registration or license under sections 385.200 to 385.220 for any of the following causes, if the applicant or licensee or the applicant's or licensee's subsidiaries or affiliated entities acting on behalf of the applicant or licensee in connection with the applicant's or licensee's motor vehicle extended service contract program has:

- (1) Filed an application for license in this state within the previous ten years, which, as of the effective date of the license, was incomplete in any material respect or contained incorrect, misleading, or untrue information;
- (2) Violated any provision in sections 385.200 to 385.220, or violated any rule, subpoena, or order of the

- director;
- (3) Obtained or attempted to obtain a license through material misrepresentation or fraud;
 - (4) Misappropriated or converted any moneys or properties received in the course of doing business;
 - (5) Been convicted of any felony;
 - (6) Used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere;
 - (7) Been found in violation of law by a court of competent jurisdiction in an action instituted by any officer of any state or the United States in any matter involving motor vehicle extended service contracts, financial services, investments, credit, insurance, banking, or finance;
 - (8) Had a producer license or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory;
 - (9) Been refused a license or had a license revoked or suspended by a state or federal regulator of service contracts, financial services, investments, credit, insurance, banking, or finance;
 - (10) Signed the name of another to an application for license or to any document related to a motor vehicle extended service contract transaction without authorization;
 - (11) Unlawfully acted as a producer without a license;
 - (12) Failed to comply with an administrative or court order imposing a child support obligation;
 - (13) Failed to comply with any administrative or court order directing payment of state or federal income tax;
or
 - (14) Has within the last fifteen years been declared insolvent by the director or a motor vehicle extended service contract regulator of another state or has been the subject of a bankruptcy petition.
2. In the event that the action by the director is not to renew or to deny an application for a license, the director shall notify the applicant or licensee in writing and advise the applicant or licensee of the reason for the denial or nonrenewal. Appeal of the nonrenewal or denial of the application for a license shall be made pursuant to the provisions of chapter 621. Notwithstanding section 621.120, the director shall retain discretion in refusing a license or renewal and such discretion shall not transfer to the administrative hearing commission.
 3. The license of a business entity producer may be suspended, revoked, renewal refused, or an application may be refused if the director finds that a violation by an individual acting under the direction of the business entity was known or should have been known by one or more of the partners, officers, or managers acting on behalf of the business entity and the violation was neither reported to the director nor corrective action taken.
 4. The director may also revoke or suspend under subsection 1 of this section any license issued by the director where the licensee has failed to renew or has surrendered such license.
 5. Every producer licensed under this section shall notify the director of any change of address, on forms prescribed by the director, within thirty days of the change. If the failure to notify the director of the change of address results in an inability to serve the producer with a complaint as provided by sections 621.045 to 621.198, then the director may immediately revoke the license of the producer until such time as service may be obtained.
 6. A producer shall report to the director any license revocation or civil action taken against the producer in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent order, or other relevant legal documents.
 7. Within thirty days of the initial pretrial hearing date or arraignment, a producer shall report to the director any felony proceeding initiated by any state or the United States for any violation of law by the producer. The report shall include a copy of the indictment or information filed, the order resulting from the hearing and any other relevant legal documents.

Record-keeping requirements.

- 385.210. 1. An administrator, provider, or other intermediary shall keep accurate accounts, books, and records concerning transactions regulated by sections 385.200 to 385.220.
2. An administrator's, provider's, or other intermediary's accounts, books, and records shall include:
 - (1) Copies of each type of motor vehicle extended service contract issued;
 - (2) The name and address of each service holder to the extent that the name and address have been furnished by the service contract holder;
 - (3) A list of the provider locations where motor vehicle extended service contracts are marketed, sold, or offered for sale; and
 - (4) Claims files that shall contain at least the dates, amounts, and description of all receipts, claims, and expenditures related to the motor vehicle extended service contracts.
 3. Except as provided in this section, an administrator shall retain all records pertaining to each motor vehicle extended service contract holder for at least three years after the specified period of coverage has expired.

4. An administrator, provider, or other intermediary may keep all records required under sections 385.200 to 385.220 on a computer disk or other similar technology. If an administrator, provider, or other intermediary maintains records in other than hard copy, records shall be accessible from a computer terminal available to the director and be capable of duplication to legible hard copy.
5. An administrator, provider, or other intermediary discontinuing business in this state shall maintain its records until it furnishes the director satisfactory proof that it has discharged all obligations to contract holders in this state.
6. An administrator, provider, or other intermediary shall make all accounts, books, and records concerning transactions regulated pursuant to sections 385.200 to 385.220 or other pertinent laws available to the director upon request.

385.211. 1. A provider registered to issue motor vehicle extended service contracts in this state shall maintain a register of business entity producers who are authorized to sell, offer, negotiate, or solicit the sale of motor vehicle extended service contracts in this state, and shall make such list available for inspection upon request by the director. Within thirty days of a provider authorizing a producer to sell, offer, negotiate, or solicit motor vehicle extended service contracts, the provider shall enter the name and license number of the producer in the company registry of producers.

2. Within thirty days of a provider terminating a business entity producer's appointment to sell, offer, negotiate, or solicit motor vehicle extended service contracts, the provider shall update the registry with the effective date of the termination. If a provider has possession of information relating to any cause for discipline under section 385.209, the provider shall notify the director of this information in writing. The privileges and immunities applicable to insurers under section 375.022 shall apply to providers for any information reported under this subsection.

Termination, notice required.

385.212. As applicable, an insurer that issued a reimbursement insurance policy shall not terminate the policy until a notice of termination, in a form and time frame prescribed by the director, has been mailed or delivered to the director. The termination of a reimbursement insurance policy shall not reduce the issuer's responsibility for motor vehicle extended service contracts issued by providers prior to the date of the termination.

Providers considered agents of insurer, when--indemnification and subrogation.

385.214. 1. Providers are considered to be the agent of the insurer that issued the reimbursement insurance policy. In cases where a provider is acting as an administrator and enlists other providers, the provider acting as the administrator shall notify the insurer of the existence and identities of the other providers.

2. The provisions of sections 385.200 to 385.220 shall not prevent or limit the right of an insurer that issued a reimbursement insurance policy to seek indemnification or subrogation against a provider if the insurer pays or is obligated to pay the service contract holder sums that the provider was obligated to pay under the provisions of the motor vehicle extended service contract or under a contractual agreement.

Section C. The repeal and reenactment of sections 385.200, 385.206, and 385.208, and the enactment of sections 385.205, 385.207, 385.209, and 385.211 of section A of this act shall become effective January 1, 2012.

385.216. 1. The director may conduct investigations or examinations of providers, administrators, insurers, or other persons to enforce the provisions of sections 385.200 to 385.220 and protect service contract holders in this state.

2. If the director determines that a person has engaged, is engaging, or is about to engage in a violation of sections 385.200 to 385.220 or a rule adopted or order issued pursuant thereto, or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, omission or course of business constituting a violation of sections 385.200 to 385.220 or a rule adopted or order issued pursuant thereto, the director may issue such administrative orders as authorized under section 374.046. A violation of this section is a level two violation under section 374.049.
3. If the director believes that a person has engaged, is engaging, or is about to engage in a violation of sections 385.200 to 385.220 or a rule adopted or order issued pursuant thereto, or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, omission or course of business constituting a violation of sections 385.200 to 385.220 or a rule adopted or order issued pursuant thereto, the director may maintain a civil action for relief authorized under section 374.048. A violation of this section is a level two violation under section 374.049.
4. The enforcement authority of the director under this section is cumulative to any other statutory authority of the director.

Rulemaking authority.

385.218. The director may promulgate rules to effectuate sections 385.200 to 385.220. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

Inapplicability.

385.220. 1. The provisions of sections 385.200 to 385.220 shall not apply to:

- (1) Warranties;
 - (2) Maintenance agreements;
 - (3) Commercial transactions; and
 - (4) Service contracts sold or offered for sale to persons other than consumers.
2. Manufacturer's contracts on the manufacturer's products need only comply with the provisions of sections 385.206, 385.208, and 385.216.