

FIRST REGULAR SESSION

SENATE BILL NO. 605

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR JACOB.

Read 1st time February 28, 2001, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

2170S.011

AN ACT

To repeal section 384.043, RSMo 2000, relating to surplus lines insurance, and to enact in lieu thereof one new section relating to the same subject.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 384.043, RSMo 2000, is repealed and one new section enacted in lieu thereof, to be known as section 384.043, to read as follows:

384.043. 1. No agent or broker [licensed by the state] shall procure any contract of surplus lines insurance with any nonadmitted insurer, unless he possesses a current surplus lines insurance license issued by the director.

2. The director shall issue a surplus lines license to any qualified [resident] holder of a current **resident or nonresident** property and casualty [broker's] license but only when the [broker] **licensee** has:

(1) Remitted the one hundred dollar initial fee to the director;

(2) Submitted a completed license application on a form supplied by the director;

(3) Passed a qualifying examination approved by the director, except that all holders of a license prior to July 1, 1987, shall be deemed to have passed such an examination; and

(4) Filed with the director, and maintains during the term of the license, in force and unimpaired, a bond in favor of this state in the penal sum of [ten] **one hundred** thousand dollars **or in a sum equal to the tax liability for the previous tax year, whichever is smaller**, aggregate liability, with corporate sureties approved by the director. The bond shall be conditioned that the surplus lines licensee will conduct business in accordance with the provisions of sections 384.011 to 384.071 and will promptly remit the taxes as provided by law. No bond shall be

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

terminated unless at least thirty days' prior written notice is given to the licensee and director. [If the director determines that a surplus lines licensee of a reciprocal sister state is competent and trustworthy, then he may, in his discretion, issue a nonresident surplus lines agent's license. A nonresident licensee shall be limited in his authority to servicing of business negotiated elsewhere and filing any appropriate taxes. A nonresident licensee shall not solicit business.]

3. Each surplus lines license shall be renewed annually on the anniversary date of issuance and continue in effect until refused, revoked or suspended by the director in accordance with section 384.065; except that if the annual renewal fee for the license is not paid on or before the anniversary date the license terminates. The annual renewal fee is fifty dollars.

Unofficial

Bill

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