
Department of Insurance

Room 530, Truman State Office Bldg.
PO Box 690, Jefferson City, 65102
Telephone: (573) 751-4126 / FAX: (573) 751-1165
Consumer Hotline: (800) 726-7390
Text Telephone (TT): (573) 526-4536
www.insurance.mo.gov/

The Department of Insurance regulates the insurance industry in Missouri and provides consumer protection to the insurance-buying public without federal regulation. The department is the only government agency regulating the \$23 billion insurance industry in this state.

There are four divisions and the director's office within the Department of Insurance: Financial Regulation, Market Regulation, Consumer Affairs and Resource Administration.

The director's office includes the department director, deputy director, legal staff, public information staff, legislative coordinator and support staff. The director's office is responsible for policy decisions, regulation, legislation and communications. The director's office also includes legal and receivership activities. The department's Legal Section provides counsel to the director's office and each division and section and represents the department directly in circuit court and before the Administrative Hearing Commission. When a judge orders a company into receivership, the director is responsible for either rehabilitating the company or liquidating it.

The Division of Consumer Affairs assists the general public in resolving complaints, providing information to consumers regarding insurance policies and investigating alleged acts of insurance fraud. The division has two sections: Consumer Services and Investigations. The Consumer Services Section fields inquiries from the insurance-buying public and provides general information regarding insurance companies operating in the state of Missouri. In 2004, the division responded to more than 4,800 complaints and opened 484 investigations, recovering more than \$13.76 million for consumers. The division operates a toll-free consumer hotline at 800-726-7390; the department also offers a toll-free workers' compensation rate hotline at 888-200-1697. Consumers can file a complaint or inquiry electronically through the department web site, which has a broad array of consumer



W. DALE FINKE
Department Director



DOUG OMMEN
Deputy Director/General Counsel



KIRK SCHMIDT
Director, Financial Regulation



LINDA BOHRER
Director, Market Regulation



ROCHELLE HENDRICKSON
Director, Resource Administration

and industry information available. The Investigations Section records complaints filed on behalf of consumers against insurance producers, bail bond agents and public adjusters. The staff also investigates unlicensed insurance activities and reviews license applications that are referred from the Licensing Unit. Department investigations may result in license revocations or suspensions, cease and desist orders, injunctions and referrals for criminal prosecutions.

The department receives a federal grant from the Centers for Medicare and Medicaid Services, which funds the CLAIM program in Missouri. The CLAIM (Community Leaders Assisting the



MARY KEMPKER
Director, Consumer Affairs



MIKE WOOLBRIGHT
Chief Market Conduct Examiner



MARIA CAUWENBERGH
Legislative Coordinator



MATT BARTON
Public Information Officer

Insured of Missouri) program provides counseling and educational activities to seniors on health insurance coverage and Medicare benefits. The department contracts with a not-for-profit organization to administer the CLAIM program. The program recruits sponsors and volunteers, develops and conducts volunteer training, publicizes the program and maintains a toll-free number (800-390-3330) for consumers to call. Volunteers are recruited locally and community organizations such as hospitals, community centers, extension offices or senior centers serve as cosponsors and provide space, supplies and local publicity for the program. The program currently has approximately 90 sponsors located throughout the state providing counseling.

The Division of Market Regulation protects the interests of Missouri's insurance buying consumers by ensuring companies are conducting business in compliance with applicable state statutes and regulations. The division includes four sections: the Market Conduct Examination, Life and Health, Property and Casualty, and Managed Care sections.

The Life and Health and Property and Casualty Sections approve policy forms that an insurer wants to sell in the state and reviews forms, endorsements, illustrations and some rate filings. In addition, the division oversees activities of Missouri HMOs and reviews company applications for new certificates of authority or service area changes and analyzes trends in HMO activities. The Market Conduct Section analyzes and publishes industry and market data as well as trends in the overall industry.

The division performs market conduct examinations of insurance companies operating in the state to ensure equitable treatment of policyholders. Market conduct examiners review insurers' operations, including marketing, claims handling, policies and rates. For some violations the insurance companies also are required to pay fines to the state school fund and/or restitution to the consumer, either through re-adjudication of claims or re-evaluation of the premium



JIM MEALER
Audit Manager, Market
Conduct—Life and Health



WIN NICKENS
Audit Manager, Market
Conduct—Property and Casualty

charged for the policy. In 2004, fines and recoveries totaled over \$1 million.

The Division of Financial Regulation monitors the financial condition of all domestic (Missouri based) and foreign (non-Missouri based) insurance companies operating in Missouri. The division includes the Financial Analysis, Financial Examination, Premium Tax and Surplus Lines Sections. The Financial Analysis Section reviews financial statements received from insurance companies on quarterly and annual bases. This section is the first line of defense in identifying financially troubled companies so that further action may be taken to prevent insolvencies. The analysts recommend action on proposed business transactions by Missouri-domiciled companies and evaluate mergers and acquisitions, payments of dividends and other proposed transactions for financial and operational impact. The division conducts financial examinations of 230 domestic insurance companies on a three-year cycle and analyzes the financial condition of the 1,384 foreign companies licensed to sell insurance in Missouri. The department can call for an examination of a licensed insurer at any time. The Taxation Section audits and determines premium taxes, which insurance companies pay in lieu of

income taxes. The Department of Insurance certifies to the Department of Revenue the tax due from each company. In 2004, the Premium Tax Section certified for collection \$174 million in tax, which is deposited into general revenue and the state school fund. The Surplus Lines Section regulates the placement of policies and collection of premium taxes on business written in the non-admitted market known as surplus lines. The section oversaw the activities of 552 surplus lines brokers in 2004, and collected \$23.3 million in taxes on surplus lines premiums, which is deposited into general revenue.

The Division of Resource Administration is responsible for the general operation and support within the department. The division includes the Licensing, Support Services, Personnel, and Information Systems Sections. The division prepares the department's annual budget request and strategic plan, monitors department revenues and expenditures, handles personnel and training for department employees, is responsible for the department's information technology infrastructure, and handles all accounting, procurement and grant management for the department. The division is also responsible for the licensing and renewals of all insurance producers, totaling over 100,000 operating within the state. Prior to granting each



FRED HESSE
Audit Manager, Financial
Examination

registration, an application review process is conducted to determine if applicants are sufficiently qualified to participate in the insurance business.

The department is funded through fees collected from insurance companies, agents and other licensees, rather than state general revenue.

The department's main office is located in Jefferson City at 301 East High Street.