



September 26, 1961

Honorable J. L. Pickard
Commissioner of Finance
Jefferson Building
Jefferson City, Missouri

Dear Mr. Pickard:

This letter of advice is furnished in lieu of a formal opinion in answer to your letter of September 5, 1961, requesting an outline of your duties under the Missouri Retail Credit Sales Act passed by the 71st General Assembly, effective October 13, 1961.

The Act in question relates to and regulates retail credit selling and financing of certain goods and services purchased under a retail time contract or on account under a retail charge agreement.

In Section 5 (a) of the Act an introduction to your duties is found in the following language:

"A buyer may be required to provide insurance on the goods at his own cost for the protection of the seller or other person holding a retail time contract or account under a retail charge agreement, as well as the buyer, but such insurance shall be subject to limitations provided for in regulations promulgated and issued by the Commission[er] of Finance pursuant to the provisions of section 5 (c)."

Section 5 (c) of the Act provides:

"The amount of any life insurance shall not exceed the amount of the total unpaid balance from time to time under a retail time contract or under a retail charge

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agreement, provided, however, that where the buyer's obligation under a retail time contract is repayable in payments which are not substantially equal in amount, such insurance may be level term insurance in an amount which shall not exceed by more than five dollars (\$5.00) the time balance as determined under section 3 (e). The Commissioner of Finance, or such agency or agencies as may exercise the powers and duties now performed by such Commissioner, shall issue regulations providing for and governing the types and limits of all other insurance and the issuance of policies in connection with retail time transactions. Nothing in this section shall alter or amend the statutes of this state relating to insurance or affect the powers of the Superintendent of Insurance under such statutes."
(Underscoring supplied)

Language found in the forepart of Section 5 (c) of the Act, quoted above, spells out its own limitations as to amounts and types of life insurance which may be required with reference to either a retail time contract or a retail charge agreement. Such language is then followed by specific language vesting a power and mandatory duty in the Commissioner of Finance to issue regulations providing for and governing the types and limits of all other insurance. The words "all other insurance" must necessarily refer to any insurance other than life insurance. While this special language in Section 5 (c) of the Act granting authority to the Commissioner of Finance to issue regulations in relation to insurance other than life insurance mentions only "retail time transactions" as distinguished from "retail charge agreements", as such language is used in this Section 5 (c) when treating of limits and types of life insurance, it is apparent that both types of time transactions were intended to be covered by the language vesting power in the Commissioner of Finance. This conclusion is further strengthened by language quoted, supra, from Section 5 (a) of the Act which provides that a buyer may be required to provide insurance "on the goods" for the protection of the seller or other person holding a "retail time contract" or a "retail charge agreement".

It may therefore be reasonably concluded that as Commissioner of Finance, under authority granted to you by Sections 5 (a) and (c) of the Missouri Retail Credit Act, you are authorized to

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issue regulations governing the types and limits of insurance, other than life insurance, which may be required by the seller or holder of "retail time contracts" or "retail charge agreements" contemplated by the Act.

In preparing regulations authorized by Section 5 (a) and (c) of the Act, it is recommended that such regulations should not treat of matters in relation to insurance which you find are clearly dealt with in sections of the Act.

The scope of regulations which you are authorized to make under the Missouri Retail Credit Sales Act has been generally outlined above. Obviously, you are vested with reasonable discretion in formulating such regulations, and specific wording of the same must necessarily be left with you. This office stands ready to offer close advice when you determine upon specific provisions to place in your regulations.

Yours very truly,

THOMAS F. EAGLETON
Attorney General

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