



DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 25-05

St. Louis Tornado Response – Claim Holdbacks

Issued: June 12, 2025

The following Bulletin is issued by the Missouri Department of Commerce and Insurance (“Department”) to inform and educate the reader on the specified issue. It does not have the force and effect of law, is not an evaluation of any specific facts or circumstances, shall not be considered a statement of general applicability and is not binding on the Department. See § 374.015, RSMo (2016).

To: All insurers adjusting claims for tornado-damaged structures in the City of St. Louis

From: Angela L. Nelson, Director

Re: Waiver of City of St. Louis Ordinance Pertaining to Insurance Claim Holdbacks

The Department issues this Bulletin to notify insurance companies of an immediate change to the process for claim holdbacks (withholds) for properties sustaining 50% or more damage from the May 16th St. Louis tornado. The City of St. Louis currently has an Ordinance in effect which requires such holdbacks, Ordinance [25.66.030](#).

Effective immediately, the City of St. Louis has decided to waive the mandatory holdbacks for structures that sustained 50% or more damage as a result of the May 16th tornado. For these properties, insurers should remit all payable amounts directly to the insured. Please see the attached Executive Order, with accompanying letter from Mayor Cara Spencer.

The waiver is specific to those properties that are located within the “Tornado Impact Area”. The “Tornado Impact Area” has been defined as the following neighborhoods which are located within zip codes 63105, 63112, 63108, 63113, 63115, 63107, and 63147:

Wydown Skinker, Skinker DeBaliviere, DeBaliviere Place, Central West End, West End Visitation Park, Academy, Fountain Park, Lewis Place, Vandeventer, Hamilton Heights, Wells Goodfellow, Kingsway West, Kingsway East, Greater Ville, The Ville, Jeff Vanderlou, Mark Twain, Penrose, O'Fallon, Fairground Park, Fairground, North Riverfront, O'Fallon Park and College Hill.

For further reference, insurers may also review the map that the City has available on this website: [interactive tornado area map](#)

To confirm, this waiver is specific to the City of St. Louis, and the holdback ordinance has not been waived for any other properties damaged or destroyed as a result of any other event on any other date. Accordingly, insurers should continue to withhold and submit funds to the City of St. Louis for claims on all other properties sustaining 50% or more damage that are the result of any other covered event.

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CARA SPENCER
MAYOR

OFFICE OF THE MAYOR
CITY OF ST. LOUIS
MISSOURI

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1200 MARKET STREET
SAINT LOUIS, MISSOURI 63103-2877
(314) 622-3201

June 12, 2025

Director Angela Nelson
Missouri Department of Commerce and Insurance
301 West High St., Room 530
P.O. Box 690
Jefferson City, Mo 65102

Dear Director Nelson

The purpose of this letter is to request the Missouri Department of Commerce and Insurance's ("Department") assistance in sending a bulletin to all insurers operating in the State of Missouri advising them of a shift in the City's approach regarding enforcement of the "Holdback Law" for certain insured property owners impacted by the May 16, 2025, tornado.

Section 67.410, RSMo., creates what is known as the "Holdback Law." It provides that an insurance company shall withhold and pay to an implementing city twenty-five percent of the proceeds of an insurance policy on certain significantly damaged buildings or structures, and also authorizes the placement of a lien on that property in the form of a special tax bill. To use this law, cities are required to adopt it via ordinance. The City of St. Louis did so in 1996 through Ordinance 63838.

The law's purpose is to provide cities a meaningful way to address property that has become a public nuisance, by ensuring that the insured actually uses the claim money for the intended purposes and to prevent potential future losses. While it has historically proven a powerful tool for the City of St. Louis to hold problem property owners accountable, it has proven illogical for a situation where thousands of insured St. Louisans suddenly find themselves with significantly damaged property due to a tornado, in need of unexpected repairs, and competing with each other for contractors and supplies.

Consequently, the City is choosing to shift its "Holdback Law" enforcement approach specifically for insured property owners living in the tornado impact area whose property was damaged by the May 16, 2025, tornado. Today, I issued Executive Order No. 85, instructing the City Counselor and Building Commissioner to exercise their discretion under the law to waive their authority to pursue claims and/or



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to issue certifications to release funds retained pursuant to the "Holdback Law" for a period of time up through and including December 31, 2026.

This instruction for the City Counselor and Building Commissioner to exercise their discretion under the law to waive their authority is narrowly-tailored for claims arising out of the May 16, 2025, tornado, and for the particular group of insured property owners living in the tornado impact area. In doing so, the City aims to prevent situations where insurance companies will effect the twenty-five percent withholding for any May 16, 2025, tornado damage insurance claim payouts for this specific group of individuals.

To assist the City in effecting and communicating this to insurance providers operating in the State of Missouri, the City asks your Department to please communicate this information to insurers operating in the State of Missouri via a bulletin. To support this bulletin, the City is providing 1) this letter, 2) a copy of the relevant Executive Order, and 3) a link to an interactive tornado impact area map.

The Department has been a tremendous source of information and support to the City and our tornado-impacted residents during this time of tremendous need. We know the Department shares our priority of providing common sense, compassionate relief to tornado-impacted property owners, and we greatly appreciate the Department assisting in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Cara Spencer", with a long, sweeping horizontal line extending to the right.

Cara Spencer
Mayor, City of St. Louis



**OFFICE OF THE MAYOR
CITY OF ST. LOUIS
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**EXECUTIVE ORDER No. 85
MAYOR CARA SPENCER
June 12, 2025**

An Executive Order instructing the City Counselor and Building Commissioner to exercise their discretion to waive certain insurance claim payouts for property damaged by the May 16, 2025, tornado.

WHEREAS, Section 67.410, RSMo., sets forth what is known as the “Holdback Law,” which is intended to strengthen neighborhoods by ensuring that nuisance property owners make needed repairs to properties; and

WHEREAS, pursuant to state law, the City of St. Louis adopted Sections 25.66.030 through 25.66.050 of the City Code in 1996, requiring insurance companies paying out claims on certain properties which have been designated as a public nuisance or mandated by the City for demolition or repair to “holdback” into an escrow account at the City twenty-five (25) percent of the payout; and

WHEREAS, the law further authorizes the City to place a lien on such properties in the form of a special tax bill; and

WHEREAS, on May 16, 2025, the City experienced a storm system that produced a highly damaging mile-wide EF3 tornado, causing significant and widespread harm to its residents and their property, damaging at least 10,000 buildings, an estimated 88 percent of which are privately-owned; and

WHEREAS, on May 16, 2025, in response to the natural emergency created by the storms, the Mayor declared a state of emergency pursuant to City Revised Code Section 3.40.070, directing numerous City departments, including the Department of Public Safety, in which the Building Division is housed, to expedite proactive measures to provide storm response services to the City with the assistance of any and all City resources that may be necessary; and

WHEREAS, the intent of this law is to ensure that the insured actually uses the claim money for the intended purposes and to prevent potential future losses, and while it has historically proven a powerful tool for the City to hold problem property owners accountable, it has also proven illogical for a situation where tens of thousands of St. Louisans suddenly find themselves in need of unexpected repairs due to tornado damage and competing with each other for contractors and supplies; and



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WHEREAS, the City, Comptroller's Office, and Missouri Department of Commerce and Insurance are able and eager to partner together to provide common sense, compassionate relief to tornado-impacted property owners at risk of having this twenty-five (25) percent of their claim withheld pursuant to state law and City code; and

WHEREAS, the Mayor is able to effect this relief by instructing the City Counselor and Building Commissioner to exercise their discretion to waive their authority to pursue claims and/or to issue certifications to release funds retained pursuant to the "Holdback Law" in regards to claim payout intercepts or related property liens for properties located in the tornado impact area specifically damaged by the May 16, 2025, tornado, in order to support tornado-impacted property owners on their road to recovery; and

WHEREAS, the Mayor is also able to collaborate with the Comptroller's Office to effect this relief, by instructing the City Counselor and Building Commissioner to collaborate with and provide information to the Comptroller's Office as needed in order to allow the Comptroller's Office to release any already-intercepted insurance claim "holdbacks" pertaining to tornado-impacted properties in the tornado impact area; and

WHEREAS, the City understands that there are a small number of already-intercepted insurance claim "holdbacks" pertaining to May 16, 2025, tornado-impacted properties in the tornado impact area within the City Comptroller's accounts as a direct result of these "holdback" provisions; and

WHEREAS, the City is also able to partner with the Missouri Department of Commerce and Insurance to effect this, by providing the Department with information on this targeted and specific shift in enforcement to insurance companies operating within the State of Missouri, to allow the Department to send out a bulletin with this information to all such companies in an effort to prevent further claim "holdbacks" from occurring on tornado-impacted properties in the tornado impact area.

NOW, THEREFORE I, CARA SPENCER, MAYOR OF THE CITY OF ST. LOUIS, DO HEREBY DECLARE AND ORDER AS FOLLOWS, EFFECTIVE IMMEDIATELY:

SECTION ONE. Purpose.

- A. The purpose of the targeted, specific, and time-limited shift away from enforcing the provisions of Section 67.410, RSMo., as codified by the City under Ordinance No. 63838, as provided for through this Executive Order, is to prevent further claim "holdbacks" from occurring on those



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properties and in so doing reduce the threat to the public health, safety, and welfare of citizens, the decline of neighborhoods, and blight issues.

SECTION TWO. Instructing the City Counselor and Building Commissioner to Waive Their Authority to Pursue Claims on and Otherwise Effect the “Holdback Law.”

- A. I hereby instruct the City Counselor and Building Commissioner to exercise their discretion under the law to waive their authority to pursue claims and/or to issue certifications to release funds retained pursuant to the “Holdback Law” for a period of time up through and including December 31, 2026. This Order applies insurance claim “holdbacks” and related property lien provisions of Ordinance No. 63838, as codified in City code at Chapter 25.66, against properties and property owners that are located in the tornado impact area, as defined under Section Three of this Executive Order, for insurance claims arising solely due to damage caused by the May 16, 2025, tornado in the City of St. Louis.

SECTION THREE. Instructing the City Counselor and Building Commissioner to Collaborate as Needed with the Comptroller’s Office to Effect the Release of Certain Claims.

- A. I hereby instruct the City Counselor’s Office and the Building Commissioner to collaborate as needed with the Comptroller’s Office in order to effect the release of certain claims against which the “holdback” provisions of Ordinance No. 63838, codified in City code at Chapter 25.66, were effected.
- B. Such collaboration shall be limited to provide this benefit to properties and property owners that are located in the tornado impact area, as defined under Section Three of this Executive Order, for claims arising solely due to damage caused by the May 16, 2025, tornado in the City of St. Louis.

SECTION FOUR. Tornado Impact Area.

- A. For purposes of this Executive Order, the tornado impact area shall mean the following neighborhoods which are located in and along the path of the May 16, 2025, tornado, which are also located within zip codes designated 63105, 63112, 63108, 63113, 63115, 63107, and 63147:
- i. Wydown Skinker; Skinker DeBaliviere; DeBaliviere Place; Central West End; West End Visitation Park; Academy; Fountain Park; Lewis Place; Vandeventer; Hamilton Heights; Wells Goodfellow; Kingsway West; Kingsway East; Greater Ville; The Ville; Jeff Vanderlou; Mark Twain; Penrose; O’Fallon; Fairground Park; Fairground; North Riverfront; O’Fallon Park; and College Hill.

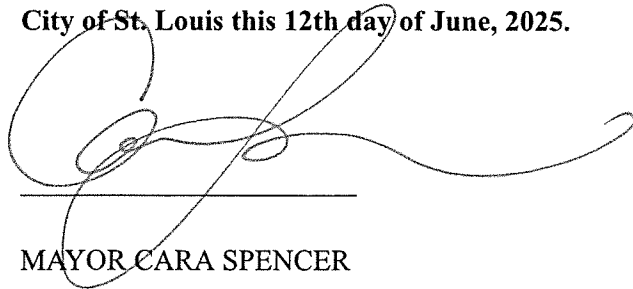


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SECTION FIVE. Information to be Provided to the Missouri Department of Commerce and Insurance.

- A. I hereby direct the Office of the Mayor to provide the following documentation to the Missouri Department of Commerce and Insurance (“Department”) in order to effect the timely production and distribution of a bulletin sent by the Department to insurers operating in the State of Missouri, informing them of the City’s targeted, specific, and time-limited shift away from the City Counselor’s Office enforcing the provisions of Section 67.410, RSMo., as codified by the City under Ordinance No. 63838, against tornado-impacted properties in the tornado impact area:
- a. A copy of this Executive Order;
 - b. A letter from the Office of the Mayor describing the intent and parameters of this program;
 - c. Any other documentation as may be needed or requested by the Department to support the production and distribution of such a bulletin.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Seal of the City of St. Louis this 12th day of June, 2025.



MAYOR CARA SPENCER

ATTEST:

AMBER BOYKINS SIMMS, REGISTER