

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 324
97TH GENERAL ASSEMBLY

Reported from the Committee on Small Business, Insurance and Industry, March 14, 2013, with recommendation that the Senate Committee Substitute do pass and be placed on the Consent Calendar.

1622S.02C

TERRY L. SPIELER, Secretary.

AN ACT

To amend chapter 375, RSMo, by adding thereto one new section relating to limited lines travel insurance producer licensing.

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

Section A. Chapter 375, RSMo, is amended by adding thereto one new section, to be known as section 375.159, to read as follows:

375.159. 1. As used in this section, the following terms shall mean:

(1) "Limited lines travel insurance producer", a:

(a) Licensed managing general agent as provided by sections 375.147 to 375.153; or

(b) Licensed insurance producer as provided by chapter 375; designated by the insurer as the travel insurance supervising entity as set forth in subsection 5 of this section below;

(2) "Offer and disseminate", provide general information, including a description of the coverage and price, as well as process the application, collect premiums, and perform other non-licensable activities permitted by the state;

(3) "Travel insurance", insurance coverage for personal risks incident to planned travel, including, but not limited to:

(a) Interruption or cancellation of trip or event;

(b) Loss of baggage or personal effects;

(c) Damages to accommodations or rental vehicles; or

(d) Sickness, accident, disability, or death occurring during travel.

Travel insurance does not include major medical plans, which provide

21 comprehensive medical protection for travelers with trips lasting six
22 months or longer, including, for example, those persons working
23 overseas as expatriates or military personnel being deployed;

24 (4) "Travel retailer", a business entity that makes, arranges, or
25 offers travel services and may offer and disseminate travel insurance
26 as a service to its customers on behalf of and under the direction of a
27 limited lines travel insurance producer.

28 2. Notwithstanding any other provision of law:

29 (1) A travel retailer may offer and disseminate travel insurance
30 on behalf of and under the control of a limited lines travel insurance
31 producer only if the following conditions are met:

32 (a) The limited lines travel insurance producer or travel retailer
33 provides to purchasers of travel insurance:

34 a. A description of the material terms or the actual material
35 terms of the insurance coverage;

36 b. A description of the process for filing a claim;

37 c. A description of the review or cancellation process for the
38 travel insurance policy; and

39 d. The identity and contact information of the insurer and
40 limited lines travel insurance producer;

41 (b) At the time of licensure, the limited lines travel insurance
42 producer shall establish and maintain a register on a form prescribed
43 by the director of each travel retailer that offers travel insurance on
44 the limited lines travel insurance producer's behalf. The register shall
45 be maintained and updated annually by the limited lines travel
46 insurance producer and shall include the name, address, and contact
47 information of the travel retailer and an officer or person who directs
48 or controls the travel retailer's operations, and the travel retailer's
49 federal tax identification number. The limited lines travel insurance
50 producer shall submit such register within thirty days upon request by
51 the department. The limited lines travel insurance producer shall also
52 certify that the travel retailer register complies with 18 U.S.C. 1033;

53 (c) The limited lines travel insurance producer has designated
54 one of its employees who is a licensed individual producer as a person
55 responsible for the business entity's compliance with the travel
56 insurance laws, rules, and regulations of this state;

57 (d) The designated person under paragraph (c) of this

58 subdivision, president, secretary, treasurer, and any other officer or
59 person who directs or controls the limited lines travel insurance
60 producer's insurance operations complies with the fingerprinting
61 requirements applicable to insurance producers in the resident state
62 of the business entity;

63 (e) The limited lines travel insurance producer has paid all
64 applicable insurance producer licensing fees as set forth in applicable
65 state law;

66 (f) The limited lines travel insurance producer requires each
67 employee and authorized representative of the travel retailer whose
68 duties include offering and disseminating travel insurance to receive
69 a program of instruction or training, which may be subject to review
70 by the director. The training material shall, at a minimum, contain
71 instructions on the types of insurance offered, ethical sales practices,
72 and required disclosures to prospective customers;

73 (2) Any travel retailer offering or disseminating travel insurance
74 shall make available to prospective purchasers brochures or other
75 written materials that:

76 (a) Provide the identity and contact information of the insurer
77 and the limited lines travel insurance producer;

78 (b) Explain that the purchase of travel insurance is not required
79 to purchase any other product or service from the travel retailer; and

80 (c) Explain that an unlicensed travel retailer is permitted to
81 provide general information about the insurance offered by the travel
82 retailer, including a description of the coverage and price, but is not
83 qualified or authorized to answer technical questions about the terms
84 and conditions of the insurance offered by the travel retailer or to
85 evaluate the adequacy of the customer's existing insurance coverage;

86 (3) A travel retailer's employee or authorized representative,
87 who is not licensed as an insurance producer, may not:

88 (a) Evaluate or interpret the technical terms, benefits, and
89 conditions of the offered travel insurance coverage;

90 (b) Evaluate or provide advice concerning a prospective
91 purchaser's existing insurance coverage; or

92 (c) Hold themselves or itself out as a licensed insurer, licensed
93 producer, or insurance expert.

94 3. Notwithstanding any other provision of law, a travel retailer

95 whose insurance-related activities, and those of its employees and
96 authorized representatives, are limited to offering and disseminating
97 travel insurance on behalf of and under the direction of a limited lines
98 travel insurance producer meeting the conditions stated in this section,
99 is authorized to do so and receive related compensation, upon
100 registration by the limited lines travel insurance producer as described
101 in paragraph (b) of subdivision (1) of subsection 2 of this section.

102 4. Travel insurance may be provided under an individual policy
103 or under a group or master policy.

104 5. As the insurer designee, the limited lines travel insurance
105 producer is responsible for the acts of the travel retailer and shall use
106 reasonable means to ensure compliance by the travel retailer with this
107 section.

108 6. The limited lines travel insurance producer and any travel
109 retailer offering and disseminating travel insurance under the limited
110 lines travel insurance producer license shall be subject to the
111 provisions of chapters 374 and 375, except as provided for in this
112 section.

113 7. The director may promulgate rules to effectuate this
114 section. Any rule or portion of a rule, as that term is defined in section
115 536.010 that is created under the authority delegated in this section
116 shall become effective only if it complies with and is subject to all of
117 the provisions of chapter 536, and, if applicable, section 536.028. This
118 section and chapter 536 are nonseverable and if any of the powers
119 vested with the general assembly pursuant to chapter 536, to review, to
120 delay the effective date, or to disapprove and annul a rule are
121 subsequently held unconstitutional, then the grant of rulemaking
122 authority and any rule proposed or adopted after August 28, 2013, shall
123 be invalid and void.

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