

FIRST REGULAR SESSION

SENATE BILL NO. 324

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WALLINGFORD.

Read 1st time February 14, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

1622S.011

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 underwriter;

(b) Licensed managing general agent or third party administrator; or

(c) Licensed insurance producer, including a limited lines producer, designated by an 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

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

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

29 2. Notwithstanding any other provision of law:

30 (1) The director may issue to an individual or business entity
31 that has complied with the requirements of this subsection a limited
32 lines travel insurance producer license which authorizes the limited
33 lines travel insurance producer to sell, solicit, or negotiate travel
34 insurance through a licensed insurer;

35 (2) As a prerequisite for issuance of a limited license under this
36 subsection, there shall be filed with the director an application for such
37 limited license in a form and manner prescribed by the director;

38 (3) A travel retailer may offer and disseminate travel insurance
39 under a limited lines travel insurance producer business entity license
40 only if the following conditions are met:

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

43 a. A description of the material terms or the actual material
44 terms of the insurance coverage;

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

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

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

50 (b) At the time of licensure, the limited lines travel insurance
51 producer shall establish and maintain a register on a form prescribed
52 by the director of each travel retailer that offers travel insurance on
53 the limited lines travel insurance producer's behalf. The register shall
54 be maintained and updated annually by the limited lines travel
55 insurance producer and shall include the name, address, and contact
56 information of the travel retailer and an officer or person who directs
57 or controls the travel retailer's operations, and the travel retailer's
58 federal tax identification number. The limited lines travel insurance

59 producer shall submit such register within thirty days upon request by
60 the department. The limited lines travel insurance producer shall also
61 certify that the travel retailer register complies with 18 U.S.C. 1033;

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

66 (d) The designated person under paragraph (c) of this
67 subdivision, president, secretary, treasurer, and any other officer or
68 person who directs or controls the limited lines travel insurance
69 producer's insurance operations complies with the fingerprinting
70 requirements applicable to insurance producers in the resident state
71 of the business entity;

72 (e) The limited lines travel insurance producer has paid all
73 applicable insurance producer licensing fees as set forth in applicable
74 state law;

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

82 (4) Any travel retailer offering or disseminating travel insurance
83 shall make available to prospective purchasers brochures or other
84 written materials that:

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

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

89 (c) Explain that an unlicensed travel retailer is permitted to
90 provide general information about the insurance offered by the travel
91 retailer, including a description of the coverage and price, but is not
92 qualified or authorized to answer technical questions about the terms
93 and conditions of the insurance offered by the travel retailer or to
94 evaluate the adequacy of the customer's existing insurance coverage;

95 (5) A travel retailer's employee or authorized representative,

96 who is not licensed as an insurance producer, may not:

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

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

101 (c) Hold himself or itself out as a licensed insurer, licensed
102 producer, or insurance expert.

103 3. Notwithstanding any other provision of law, a travel retailer
104 whose insurance-related activities, and those of its employees and
105 authorized representatives, are limited to offering and disseminating
106 travel insurance on behalf of and under the direction of a limited lines
107 travel insurance producer meeting the conditions stated in this section,
108 is authorized to do so and receive related compensation, upon
109 registration by the limited lines travel insurance producer as described
110 in paragraph (b) of subdivision (3) of subsection 2 of this section.

111 4. Travel insurance may be provided under an individual policy
112 or under a group or master policy.

113 5. As the insurer designee, the limited lines travel insurance
114 producer is responsible for the acts of the travel retailer and shall use
115 reasonable means to ensure compliance by the travel retailer with this
116 section.

117 6. The limited lines travel insurance producer and any travel
118 retailer offering and disseminating travel insurance under the limited
119 lines travel insurance producer license shall be subject to the trade
120 practices and enforcement provisions of this state.

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