

FIRST REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 324

97TH GENERAL ASSEMBLY  
2013

1622S.02T

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## AN ACT

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

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*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 comprehensive medical protection for travelers with trips lasting six 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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