

FIRST REGULAR SESSION

HOUSE BILL NO. 654

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES HANSEN (Sponsor), GOSEN, WALKER, RICHARDSON,
WIELAND, MUNTZEL, MCGAUGH, PIKE, OTTO, HOUGHTON, NEELY, LYNCH,
LAUER AND DOHRMAN (Co-sponsors).

1430H.01I

D. ADAM CRUMBLISS, Chief Clerk

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 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;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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17 **Travel insurance does not include major medical plans, which provide comprehensive**
18 **medical protection for travelers with trips lasting six months or longer, including, for**
19 **example, those persons working overseas as ex-patriots or military personnel being**
20 **deployed; and**

21 **(4) “Travel retailer”, a business entity that makes, arranges, or offers travel services**
22 **and may offer and disseminate travel insurance as a service to its customers on behalf of**
23 **and under the direction of a limited lines travel insurance producer.**

24 **2. Notwithstanding any other provision of law:**

25 **(1) The director may issue to an individual or business entity that has complied with**
26 **the requirements of this subsection a limited lines travel insurance producer license which**
27 **authorizes the limited lines travel insurance producer to sell, solicit, or negotiate travel**
28 **insurance through a licensed insurer.**

29 **(2) As a prerequisite for issuance of a limited license under this subsection, there**
30 **shall be filed with the director an application for such limited license in a form and manner**
31 **prescribed by the director.**

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

34 **(a) The limited lines travel insurance producer or travel retailer provides to**
35 **purchasers of travel insurance:**

36 **a. A description of the material terms or the actual material terms of the insurance**
37 **coverage;**

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

39 **c. A description of the review or cancellation process for the travel insurance**
40 **policy; and**

41 **d. The identity and contact information of the insurer and limited lines travel**
42 **insurance producer.**

43 **(b) At the time of licensure, the limited lines travel insurance producer shall**
44 **establish and maintain a register on a form prescribed by the director of each travel**
45 **retailer that offers travel insurance on the limited lines travel insurance producer’s behalf.**
46 **The register shall be maintained and updated annually by the limited lines travel insurance**
47 **producer and shall include the name, address, and contact information of the travel**
48 **retailer and an officer or person who directs or controls the travel retailer’s operations,**
49 **and the travel retailer’s federal tax identification number. The limited lines travel**
50 **insurance producer shall submit such register to the state insurance department upon**

51 reasonable request. The limited lines travel insurance producer shall also certify that the
52 travel retailer registered complies with 18 U.S.C. 1033.

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

57 (d) The designated person under paragraph (c) of this subdivision, president,
58 secretary, treasurer, and any other officer or person who directs or controls the limited
59 lines travel insurance producer's insurance operations complies with the fingerprinting
60 requirements applicable to insurance producers in the resident state of the limited lines
61 travel insurance producer.

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

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

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

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

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

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

81 (5) A travel retailer's employee or authorized representative, who is not licensed as
82 an insurance producer, may not:

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

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

87 **(c) Hold himself or itself out as a licensed insurer, licensed producer, or insurance**
88 **expert.**

89 **3. Notwithstanding any other provision of law, a travel retailer whose insurance-**
90 **related activities, and those of its employees and authorized representatives, are limited to**
91 **offering and disseminating travel insurance on behalf of and under the direction of a**
92 **limited lines travel insurance producer meeting the conditions stated in this section, is**
93 **authorized to do so and receive related compensation, upon registration by the limited lines**
94 **travel insurance producer as described in paragraph (b) of subdivision (3) of subsection**
95 **2 of this section.**

96 **4. Travel insurance may be provided under an individual policy or under a group**
97 **or master policy.**

98 **5. As the insurer designee, the limited lines travel insurance producer is responsible**
99 **for the acts of the travel retailer and shall use reasonable means to ensure compliance by**
100 **the travel retailer with this section.**

101 **6. The limited lines travel insurance producer and any travel retailer offering and**
102 **disseminating travel insurance under the limited lines travel insurance producer license**
103 **shall be subject to the trade practices and enforcement provisions of this state.**

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