

NATIONAL CONFERENCE OF INSURANCE LEGISLATORS (NCOIL)

Limited Lines Travel Insurance Model Act

Adopted by the NCOIL Property-Casualty Insurance Committee on November 16, 2012, and Executive Committee on November 18, 2012. Sponsored by Rep. Robert Damron (KY).

Section 1. Short Title

This Act shall be known as the “*Limited Lines Travel Insurance Model Act*.”

Section 2. Definitions

A. “Limited Lines Travel Insurance Producer” means a:

1. Licensed managing general underwriter,
2. Licensed managing general agent or third party administrator, or
3. Licensed insurance *[producer/agent]*

designated by an insurer as the travel insurance supervising entity as set forth in Section 6 below.

B. “Offer and disseminate” means providing general information, including a description of the coverage and price, as well as processing the application, collecting premiums, and performing other non-licensable activities permitted by the state.

C. “Travel Insurance” means insurance coverage for personal risks incident to planned travel, including but not limited to:

1. interruption or cancellation of trip or event;
2. loss of baggage or personal effects;
3. damages to accommodations or rental vehicles; or
4. 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 (6) months or longer, including for example, those working overseas as an ex-patriot or military personnel being deployed.

D. “Travel Retailer” means a business entity that makes, arranges or offers travel services and may offer and disseminate travel insurance as a service to its customers on behalf of and under the direction of a Limited Lines Travel Insurance Producer.

Section 3. Requirements

A. A Travel Retailer may offer and disseminate Travel Insurance under a Limited Lines Travel Insurance Producer business entity (“licensed business entity”) license only if the Limited Lines Travel Insurance Producer complies with the following:

1. The Limited Lines Travel Insurance Producer or Travel Retailer provides to purchasers of travel insurance:

- a. A description of the material terms or the actual material terms of the insurance coverage;
- b. A description of the process for filing a claim;
- c. A description of the review or cancellation process for the travel insurance policy; and
- d. The identity and contact information of the insurer and Limited Lines Travel Insurance Producer.

2. At the time of licensure, the Limited Lines Travel Insurance Producer shall establish and maintain a register on a form prescribed by the *[insert commissioner]* of each Travel Retailer that offers Travel Insurance on the Limited Lines Travel Insurance Producer's behalf. The register shall be maintained and updated by the limited lines travel insurance producer and shall include the name, address, and contact information of the Travel Retailer and an officer or person who directs or controls the Travel Retailer's operations, and the Travel Retailer's Federal Employment Identification Number. The Limited Lines Travel Insurance Producer shall submit such register to the state insurance department upon reasonable request. The Limited Lines Travel Insurance Producer shall also certify that the Travel Retailer registered complies with 18 USC 1033.

3. The Limited Lines Travel Insurance Producer has designated one of its employees who is a licensed individual producer as the person (a "Designated Responsible Producer" or "DRP") responsible for the Limited Lines Travel Insurance Producer's compliance with the travel insurance laws, rules and regulations of the state.

4. The DRP, president, secretary, treasurer, and any other officer or person who directs or controls the Limited Lines Travel Insurance Producer's insurance operations comply with the fingerprinting requirements applicable to insurance producers in the resident state of the Limited Lines Travel Insurance Producer.

5. The Limited Lines Travel Insurance Producer has paid all applicable insurance producer licensing fees as set forth in applicable state law.

6. The Limited Lines Travel Insurance Producer requires each employee of the Travel Retailer whose duties include offering and disseminating Travel Insurance to receive a program of instruction or training, which may be subject to review by the commissioner. The training material shall, at a minimum, contain instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers.

B. Any Travel Retailer offering or disseminating travel insurance shall make available to prospective purchasers brochures or other written materials that:

1. Provide the identity and contact information of the insurer and the Limited Lines Travel Insurance Producer;
2. Explain that the purchase of travel insurance is not required in order to purchase any other product or service from the Travel Retailer; and

3. Explain that an unlicensed Travel Retailer is permitted to provide general information about the insurance offered by the Travel Retailer, including a description of the coverage and price, but is not qualified or authorized to answer technical questions about the terms and conditions of the insurance offered by the Travel Retailer or to evaluate the adequacy of the customer's existing insurance coverage;

C. A Travel Retailer who is not licensed as an insurance producer may not:

1. Evaluate or interpret the technical terms, benefits, and conditions of the offered travel insurance coverage;
2. Evaluate or provide advice concerning a prospective purchaser's existing insurance coverage; or
3. Hold himself or itself out as a licensed insurer, licensed producer, or insurance expert.

Section 4. Registration

A Travel Retailer whose insurance-related activities, and those of its employees, are limited to offering and disseminating Travel Insurance on behalf of and under the direction of a Limited Lines Travel Insurance Producer meeting the conditions stated in this Act, is authorized to do so and receive related compensation, upon registration by the Limited Lines Travel Insurance Producer as described in Section 3(A)(2) above.

Section 5. Policy

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

Section 6. Responsibility

As the insurer designee, the Limited Lines Travel Insurance Producer is responsible for the acts of the Travel Retailer and shall use reasonable means to ensure compliance by the Travel Retailer with this Act.

Section 7. Enforcement

The Limited Lines Travel Insurance Producer and any Travel Retailer offering and disseminating travel insurance under the Limited Lines Travel Insurance Producer License shall be subject to the *[insert statutory code citations for (i) the applicable unfair trade practices provisions of the insurance code and (ii) enforcement provisions applicable to insurance producers generally]*.

Section 8. Effective Date

This Act shall take effect 90 days after enactment.