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An Act Regarding Travel Insurance in the Maine Insurance Code

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 24-A MRSA §601, sub-§31 is enacted to read:

31. Limited lines travel insurance producer. Limited lines travel insurance producer licensing fees may not exceed:

A. Original license issuance fee, \$500; and

B. Annual renewal fee, \$300.

Sec. 2. 24-A MRSA §1420-F, sub-§1, ¶H, as enacted by PL 2001, c. 259, §24, is amended to read:

H. Travel accident and baggage insurance contracts as defined in section 7052, subsection 4, which are a limited line;

Sec. 3. 24-A MRSA §1420-H, sub-§3, ¶B, as enacted by PL 2001, c. 259, §24, is amended to read:

B. An applicant for a license as a limited lines travel insurance producer who solicits or sells travel and baggage insurance as defined in section 7052, subsection 2;

Sec. 4. 24-A MRSA c. 90 is enacted to read:

CHAPTER 90

LIMITED LINES TRAVEL INSURANCE

§ 7051. Short title

This chapter may be known and cited as "the Limited Lines Travel Insurance Act."

§ 7052. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Designated responsible producer. "Designated responsible producer" means the individual licensed producer responsible for ensuring compliance by the limited lines travel insurance producer with travel insurance laws and rules of the State.

2. Limited lines travel insurance producer. "Limited lines travel insurance producer" means an insurance producer that is designated by an insurer as the travel insurance supervising entity that is a licensed:

- A. Managing general underwriter;
- B. Managing general agent or 3rd-party administrator; or
- C. Insurance producer designated by an insurer.

3. Offer and disseminate. "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 nonlicensed activities permitted by the State.

4. Travel insurance. "Travel insurance" means insurance coverage for personal risks incident to planned travel, including but not limited to:

- A. Interruption or cancellation of a 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 a major medical plan that provides comprehensive medical protection for travelers with trips lasting 6 months or longer, including those working abroad and military personnel.

5. Travel retailer. "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.

§ 7053. Licensure

1. Issuance of license. Notwithstanding any other provision of this Title, upon filing an application for a limited license in the form and manner prescribed by the superintendent, the superintendent may issue a limited lines travel insurance producer license to an individual or business entity authorizing the individual or business entity to sell, solicit or negotiate travel insurance as a limited lines travel insurance producer through a licensed insurer.

§ 7054. Requirements

A limited lines travel insurance producer may authorize a travel retailer to offer and disseminate travel insurance only after the limited lines travel insurance producer has met the following requirements.

1. Disclosure. The limited lines travel insurance producer or travel retailer shall provide 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 designated responsible producer and limited lines travel insurance producer.

2. Registry of travel retailers. The limited lines travel insurance producer shall establish and maintain a register on a form prescribed by the superintendent of each travel retailer that offers travel insurance on the limited lines travel insurance producer's behalf. The register must be maintained and updated by the limited lines travel insurance producer and must 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 employer identification number. The limited lines travel insurance producer shall submit the register to the superintendent upon request. The limited lines travel insurance producer shall certify that the travel retailer registered complies with applicable federal law.

3. Designated responsible producer. The limited lines travel insurance producer shall designate one of its employees who is a licensed insurance producer under chapter 16, subchapter 2-A as the designated responsible producer.

4. Fees. The limited lines travel insurance producer shall pay all applicable insurance producer licensing fees as set forth in section 601, subsection 31.

5. Training. The limited lines travel insurance producer shall require 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 superintendent. The training material must, at a minimum, contain instructions on the types of insurance offered, ethical sales practices and required disclosures to prospective customers.

§ 7055. Brochures

1. Brochures. Any travel retailer offering or disseminating travel insurance shall make available to prospective purchasers brochures or other written materials that:

- A. Provide the identity and contact information of the insurer and the limited lines travel insurance producer;
- B. Explain that the purchase of travel insurance is not required in order to purchase any other product or service from the travel retailer; and

C. Explain that a travel retailer that is not licensed as an insurance producer is permitted to provide general information about the insurance offered by the travel insurance producer or insurer, 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.

§ 7056. Prohibited acts

1. **Prohibited acts.** A travel retailer that is not licensed as an insurance producer may not:
 - A. Evaluate or interpret the technical terms, benefits and conditions of the offered travel insurance coverage;
 - B. Evaluate or provide advice concerning a prospective purchaser's existing insurance coverage; or
 - C. Purport to be a licensed insurer, licensed producer or insurance expert.

§ 7057. Compensation

1. **Compensation.** A travel retailer that is registered pursuant to section 7054, subsection 2 is entitled to receive related compensation by the limited lines travel insurance producer.

§ 7058. Policy; responsibilities; enforcement

1. **Policy.** Travel insurance may be provided under an individual policy or under a group or master policy.
2. **Responsibility.** 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 chapter.
3. **Enforcement.** The limited lines travel insurance producer and any travel retailer offering and disseminating travel insurance under the limited lines travel insurance producer license is subject to chapters 16 and 23.

SUMMARY

This bill establishes a limited lines travel insurance license under the Maine Insurance Code. The bill regulates the practice of providing travel insurance to consumers in the State and sets out the requirements for allowing a travel retailer to offer and disseminate travel insurance.