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Date: (Filing No. H-)

INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 672, L.D. 975, Bill, “An Act Regarding Travel Insurance in the Maine Insurance Code”

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

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

31. Supervising travel insurance producer. Supervising 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Sec. 2. 24-A MRSA §1420-F, sub-§1, ¶H, as enacted by PL 2001, c. 259, §24, is repealed and the following enacted in its place:

H. Travel insurance, which is a limited line and which means insurance coverage for personal risks incident to planned travel, including but not limited to:

- (1) Interruption or cancellation of a 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 a major medical plan that provides comprehensive medical protection for travelers on trips lasting 6 months or longer;

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 insurance producer who solicits or sells travel ~~and baggage~~ insurance;

COMMITTEE AMENDMENT

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

2 **CHAPTER 90**

3 **LIMITED LINES TRAVEL INSURANCE**

4 **§7051. Short title**

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

6 **§7052. Definitions**

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

9 **1. Designated responsible producer.** "Designated responsible producer" means the
10 individual licensed producer responsible for ensuring compliance by the supervising
11 travel insurance producer with travel insurance laws and rules of the State.

12 **2. Offer and disseminate.** "Offer and disseminate" means providing general
13 information, including a description of the coverage and price, as well as processing the
14 application and collecting premiums.

15 **3. Supervising travel insurance producer.** "Supervising travel insurance producer"
16 means a business entity licensed in accordance with this chapter to sell, solicit and
17 negotiate travel insurance that is offered and disseminated by travel retailers.

18 **4. Travel insurance.** "Travel insurance" means insurance coverage as defined in
19 section 1420-F, subsection 1, paragraph H.

20 **5. Travel retailer.** "Travel retailer" means a business entity that makes, arranges or
21 offers travel services.

22 **§7053. Licensure; nonlicensed activities; compensation**

23 **1. Issuance of license.** Upon receipt of an application in the form and manner
24 prescribed by the superintendent, the superintendent may issue a supervising travel
25 insurance producer license, which is a limited license, to a business entity authorizing the
26 business entity to sell, solicit or negotiate travel insurance as a supervising travel
27 insurance producer on behalf of a licensed insurer.

28 **2. Nonlicensed activities.** A travel retailer or its employees or authorized
29 representatives do not need a license under this chapter if the retailer is on the registry, as
30 provided in section 7054, subsection 2, and the insurance-related activities of the travel
31 retailer, its employees and authorized representatives are limited to offering and
32 disseminating travel insurance in compliance with this chapter.

33 **3. Compensation.** If the insurance-related activities of a travel retailer and its
34 employees and authorized representatives are limited to offering and disseminating travel
35 insurance on behalf of and under the direction of a supervising travel insurance producer,
36 and the travel retailer is registered pursuant to section 7054, subsection 2, the travel
37 retailer and its employees are permitted to receive related compensation on sales made in
38 accordance with this chapter.

1 **§7054. Requirements**

2 A travel retailer is authorized to offer and disseminate travel insurance on behalf of
3 and under the authority of a supervising travel insurance producer if the following
4 requirements are met.

5 **1. Disclosure.** The supervising travel insurance producer or travel retailer shall
6 provide to purchasers of travel insurance brochures or other written materials that
7 include:

8 A. A description of the material terms of the insurance coverage including:

9 (1) The identity and contact information of the insurer, supervising travel
10 insurance producer and designated responsible producer;

11 (2) The amount of any applicable deductible and how it is to be paid;

12 (3) The benefits of the coverage; and

13 (4) Key terms and conditions of coverage;

14 B. An explanation that the purchase of travel insurance is not required in order to
15 purchase any other product or service from the travel retailer;

16 C. An explanation that a travel retailer that is not licensed as an insurance producer is
17 only permitted to provide general information about the insurance offered by the
18 supervising travel insurance producer or insurer, including a description of the
19 coverage and price, but is not qualified or authorized to answer technical questions
20 about the terms and conditions of the insurance offered by the travel retailer or to
21 evaluate the adequacy of the customer's existing insurance coverage;

22 D. A description of the process for filing a claim; and

23 E. A description of the review or cancellation process for the travel insurance policy.

24 **2. Registry of travel retailers.** The supervising travel insurance producer shall
25 establish and update a register on a form prescribed by the superintendent of each travel
26 retailer that offers travel insurance on the supervising travel insurance producer's behalf.
27 The register must include the name, address and contact information of the travel retailer
28 and an officer or person who directs or controls the travel retailer's operations and the
29 travel retailer's federal employer identification number. The supervising travel insurance
30 producer shall submit the register to the superintendent upon request. The supervising
31 travel insurance producer shall certify that the registered travel retailer complies with 18
32 United States Code, Section 1033.

33 **3. Designated responsible producer.** The supervising travel insurance producer
34 shall designate one of its employees who is a licensed insurance producer under chapter
35 16, subchapter 2-A as the designated responsible producer.

36 **4. License continuation or termination.** Each supervising travel insurance
37 producer license issued under this chapter is subject to section 1416-A.

38 **5. Fees.** The supervising travel insurance producer shall pay all applicable insurance
39 producer licensing fees as set forth in section 601, subsection 31.

1 **6. Training.** The supervising travel insurance producer shall require each employee
2 of the travel retailer whose duties include offering and disseminating travel insurance to
3 receive a program of instruction or training, which may be subject to review by the
4 superintendent. The training material must, at a minimum, contain instructions on the
5 types of insurance offered, ethical sales practices and required brochures or other written
6 materials provided to prospective customers.

7 **§7055. Prohibited acts**

8 An employee or representative of a travel retailer who is not licensed as an insurance
9 producer may not:

10 **1. Technical terms.** Evaluate or interpret the technical terms, benefits and
11 conditions of the offered travel insurance coverage;

12 **2. Advice.** Evaluate or provide advice concerning a prospective purchaser's existing
13 insurance coverage; or

14 **3. Purport to be licensed.** Purport to be a licensed insurer, licensed producer or
15 insurance expert or represent that the travel retailer is so licensed or has insurance
16 expertise.

17 **§7056. Policy; responsibilities; enforcement**

18 **1. Policy.** Travel insurance may be provided under an individual policy or under a
19 group or master policy.

20 **2. Responsibility.** A supervising travel insurance producer is responsible for the
21 acts of a travel retailer offering and disseminating travel insurance under the supervising
22 travel insurance producer's authority and shall use reasonable means to ensure
23 compliance by the travel retailer with this chapter.

24 **3. Enforcement.** A supervising travel insurance producer and any travel retailer
25 offering and disseminating travel insurance are subject to chapters 16 and 23.'

26 **SUMMARY**

27 This amendment replaces the bill. The amendment establishes a supervising travel
28 insurance producer license under the Maine Insurance Code. Like the bill, the
29 amendment regulates the practice of providing travel insurance to consumers in the State
30 and sets out the requirements for allowing a travel retailer to offer and disseminate travel
31 insurance.

32 **FISCAL NOTE REQUIRED**

33 **(See attached)**