

IN THE SENATE

SENATE BILL NO. 1384

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO THE LIMITED LINES TRAVEL INSURANCE ACT; AMENDING TITLE 41, IDAHO  
2 CODE, BY THE ADDITION OF A NEW CHAPTER 62, TITLE 41, IDAHO CODE, TO PRO-  
3 VIDE A SHORT TITLE, TO DEFINE TERMS, TO PROVIDE REQUIREMENTS FOR LIMITED  
4 LINES TRAVEL INSURANCE PRODUCERS, TO REQUIRE REGISTRATION, TO PROVIDE  
5 FOR TYPES OF POLICIES, TO PROVIDE FOR RESPONSIBILITIES OF LIMITED LINES  
6 TRAVEL INSURANCE PRODUCERS AND TO PROVIDE FOR ENFORCEMENT.  
7

8 Be It Enacted by the Legislature of the State of Idaho:

9 SECTION 1. That Title 41, Idaho Code, be, and the same is hereby amended  
10 by the addition thereto of a NEW CHAPTER, to be known and designated as Chap-  
11 ter 62, Title 41, Idaho Code, and to read as follows:

12 CHAPTER 62  
13 LIMITED LINES TRAVEL INSURANCE ACT

14 41-6201. SHORT TITLE. This chapter shall be known and may be cited as  
15 the "Limited Lines Travel Insurance Act."

16 41-6202. DEFINITIONS. As used in this chapter:

17 (1) "Limited lines travel insurance producer" means a person desig-  
18 nated by an insurer as the travel insurance supervising entity as set forth  
19 in section 41-6206, Idaho Code, who is a:

- 20 (a) Licensed managing general underwriter;  
21 (b) Licensed managing general agent or third-party administrator; or  
22 (c) Licensed insurance agent, including a limited lines producer.

23 (2) "Offer and disseminate" means providing general information, in-  
24 cluding a description of the coverage and price, as well as processing the  
25 application, collecting premiums and performing other nonlicensable activ-  
26 ities permitted by the state.

27 (3) "Travel insurance" means insurance coverage for personal risks in-  
28 cident to planned travel including, but not limited to:

- 29 (a) Interruption or cancellation of a trip or event;  
30 (b) Loss of baggage or personal effects;  
31 (c) Damages to accommodations or rental vehicles; and  
32 (d) Sickness, accident, disability or death occurring during travel.

33 "Travel insurance" does not include major medical plans that provide compre-  
34 hensive medical protection for travelers with trips lasting six (6) months  
35 or longer, including those working overseas as an expatriate or military  
36 personnel being deployed.

37 (4) "Travel retailer" means a business entity that makes, arranges or  
38 offers travel services and may offer and disseminate travel insurance as a  
39 service to its customers on behalf of and under the direction of a limited  
40 lines travel insurance producer.

1           41-6203. REQUIREMENTS FOR LIMITED LINES TRAVEL INSURANCE PRODUC-  
2 ERS. Notwithstanding any other provision of law:

3           (1) The director may issue to an individual or business entity that has  
4 filed with the director an application, in a form and manner prescribed by  
5 the director, a limited lines travel insurance producer license that autho-  
6 rizes the limited lines travel insurance producer to sell, solicit or nego-  
7 tiate travel insurance through a licensed insurer.

8           (2) A travel retailer may offer and disseminate travel insurance under  
9 a limited lines travel insurance producer business entity license only if  
10 the following conditions are met:

11           (a) The limited lines travel insurance producer provides to purchasers  
12 of travel insurance:

13               (i) A description of the material terms or the actual material  
14 terms of the insurance coverage;

15               (ii) A description of the process for filing a claim;

16               (iii) A description of the review or cancellation process for the  
17 travel insurance policy; and

18               (iv) The identity and contact information of the insurer and lim-  
19 ited lines travel insurance producer.

20           (b) At the time of licensure, the limited lines travel insurance pro-  
21 ducer shall establish and maintain a register on a form prescribed by  
22 the director of each travel retailer that offers travel insurance on the  
23 limited lines travel insurance producer's behalf. The register shall  
24 be maintained and updated annually by the limited lines travel insur-  
25 ance producer and shall include the name, address, and contact informa-  
26 tion of the travel retailer and an officer or person who directs or con-  
27 trols the travel retailer's operations as well as the travel retailer's  
28 federal tax identification number. The limited lines travel insurance  
29 producer shall submit such register to the department upon reasonable  
30 request. The limited lines travel insurance producer shall also cer-  
31 tify that the registered travel retailer complies with 18 U.S.C. 1033.

32           (c) The limited lines travel insurance producer has designated one (1)  
33 of its employees, who is a licensed individual producer, as a designated  
34 responsible producer who shall be responsible for the limited lines  
35 travel insurance producer's compliance with the travel insurance laws,  
36 rules and regulations of the state.

37           (d) The designated responsible producer, president, secretary, trea-  
38 surer and any other officer or person who directs or controls the lim-  
39 ited lines travel insurance producer's insurance operations shall com-  
40 ply with the fingerprinting requirements applicable to insurance pro-  
41 ducers in the resident state of the limited lines travel insurance pro-  
42 ducer.

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

45           (f) The limited lines travel insurance producer requires each employee  
46 and authorized representative of the travel retailer whose duties in-  
47 clude offering and disseminating travel insurance to receive a program  
48 of instruction or training that may be subject to review by the direc-  
49 tor. The training material shall, at a minimum, contain instructions

1 on the types of insurance offered, ethical sales practices and required  
2 disclosures to prospective customers.

3 (g) Limited lines travel insurance producers and those registered un-  
4 der its license are exempt from all examination, prelicensing and con-  
5 tinuing education requirements.

6 (3) Any travel retailer offering or disseminating travel insurance  
7 shall make available to prospective purchasers brochures or other written  
8 materials that:

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

11 (b) Explain that the purchase of travel insurance is not required in or-  
12 der to purchase any other product or service from the travel retailer;  
13 and

14 (c) Explain that an unlicensed travel retailer is permitted to provide  
15 general information about the insurance offered by the travel retailer,  
16 including a description of the coverage and price, but is not qualified  
17 or authorized to answer technical questions about the terms and condi-  
18 tions of the insurance offered by the travel retailer or to evaluate the  
19 adequacy of the customer's existing insurance coverage.

20 (4) A travel retailer's employee or authorized representative who is  
21 not licensed as an insurance producer may not:

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

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

26 (c) Hold himself or itself out as a licensed insurer, licensed producer  
27 or insurance expert.

28 41-6204. REGISTRATION REQUIRED. A travel retailer whose insur-  
29 ance-related activities, and those of its employees and authorized repre-  
30 sentative, are limited to offering and disseminating travel insurance on be-  
31 half of and under the direction of a limited lines travel insurance producer  
32 meeting the conditions stated in this chapter is authorized to do so and  
33 receive related compensation upon registration by the limited lines travel  
34 insurance producer as described in section 41-6203(2) (b), Idaho Code.

35 41-6205. TYPE OF POLICY. Travel insurance may be provided under an in-  
36 dividual policy or under a group or master policy.

37 41-6206. RESPONSIBILITY OF LIMITED LINES TRAVEL INSURANCE PRODUC-  
38 ERS. As the insurer designee, the limited lines travel insurance producer  
39 is responsible for the acts of the travel retailer and shall use reasonable  
40 means to ensure compliance by the travel retailer with this chapter.

41 41-6207. ENFORCEMENT. The limited lines travel insurance producer and  
42 any travel retailer offering and disseminating travel insurance under the  
43 limited lines travel insurance producer license shall be subject to the pro-  
44 visions of chapter 13, title 41, Idaho Code, and other applicable provisions  
45 of this title.