

SENATE BILL NO. 254

BY SENATOR MORRISH

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AN ACT

To amend and reenact R.S. 22:1542(20) and (21), 1547(A)(9), and 1551(C)(4), to enact R.S. 22:1542(22) and Part VIII-B of Chapter 5 of Title 22 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 22:1782.1 through 1782.3, and to repeal R.S. 22:992, relative to travel insurance; to provide with respect to definitions; to provide for the regulation of travel insurance producers; to provide with respect to the requirements for a travel retailer to offer travel insurance under a limited lines travel insurance producer business entity; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1542(20) and (21), 1547(A)(9), and 1551(C)(4) are hereby amended and reenacted and R.S. 22:1542(22) and Part VIII-B of Chapter 5 of Title 22 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 22:1782.1 through 1782.3, are hereby enacted to read as follows:

§1542. Definitions

As used in this Subpart, unless the context requires otherwise, the following definitions shall be applicable:

* * *

(20) "Travel insurance" shall mean that line of insurance defined in R.S. 22:1782.1(3).

~~(20)~~**(21)** "Uniform application" shall mean the current version of the NAIC Uniform Application for resident and nonresident producer licensing.

~~(21)~~**(22)** "Uniform Business Entity Application" shall mean the current version of the NAIC Uniform Business Entity Application for resident and nonresident business entities.

* * *

1 §1547. License

2 A. Unless denied licensure pursuant to R.S. 22:1554, persons who have met
3 the requirements of this Subpart shall be issued an insurance producer license. An
4 insurance producer may receive qualification for a license in one or more of the
5 following lines of authority:

6 * * *

7 ~~(9) Travel which provides insurance coverage for trip cancellation, trip~~
8 ~~interruption, baggage, life, sickness and accident, disability, and personal effects~~
9 ~~when limited to a specific trip and sold in connection with transportation provided~~
10 ~~by a common carrier~~ **Travel insurance as defined in R.S. 22:1782.1(3).**

11 * * *

12 §1551. Exemption from examination

13 * * *

14 C. The following resident applicants shall be exempt from the requirement
15 of an examination:

16 * * *

17 ~~(4) Any applicant who is a ticket selling agent of a railroad company, carrier~~
18 ~~by air, or public bus carrier, who shall act thereunder as an insurance producer only~~
19 ~~in reference to the issuance of accident or baggage insurance policies in connection~~
20 ~~with the transportation that accompanies the transportation ticket~~ **shall be licensed**
21 **to act only as a producer with respect to travel insurance.**

22 * * *

23 **PART VIII-B. LIMITED LINES TRAVEL INSURANCE**

24 **§1782.1. Definitions**

25 **As used in this Part, the following terms shall have the following**
26 **meanings:**

27 **(1) "Limited lines travel insurance producer" means any of the**
28 **following:**

29 **(a) Licensed managing general underwriter.**

30 **(b) Licensed managing general agent or third party administrator.**

1 (c) Licensed insurance producer, including a limited lines producer,
2 designated by an insurer as the travel insurance supervising entity as set forth
3 in R.S. 22:1782.2(C).

4 (2) "Offer and disseminate" means to provide general information,
5 including a description of the coverage and price, as well as process the
6 application, collect premiums, and perform other nonlicensable activities
7 permitted by the state.

8 (3)(a) "Travel insurance", except as provided in Subparagraph (b) of
9 this Paragraph, means insurance coverage for personal risks incident to
10 planned travel, including but not limited to the following:

11 (i) Interruption or cancellation of a trip or event.

12 (ii) Loss of baggage or personal effects.

13 (iii) Damages to accommodations or rental vehicles.

14 (iv) Sickness, accident, disability, or death occurring during travel.

15 (b) "Travel insurance" shall not mean major medical plans, which
16 provide comprehensive medical protection for travelers with trips lasting six
17 months or longer, including those working overseas as expatriates, or military
18 personnel being deployed.

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

23 §1782.2. Requirements for sale of limited lines travel insurance

24 A. Notwithstanding any other provision of law to the contrary, the
25 commissioner may issue to an individual or business entity that has filed with
26 the commissioner an application for such limited license in a form and manner
27 prescribed by the commissioner, a limited lines travel insurance producer
28 license, which authorizes the limited lines travel insurance producer to sell,
29 solicit, or negotiate travel insurance through a licensed insurer. The limited
30 lines travel insurance producer shall pay all applicable insurance producer

1 licensing fees as set forth in R.S. 22:821.

2 B. At the time of licensure, the limited lines travel insurance producer
3 shall establish and maintain a register, on a form prescribed by the
4 commissioner, of each travel retailer that offers travel insurance on the limited
5 lines producer's behalf. The register shall be maintained and updated annually
6 by the limited lines travel insurance producer and shall include the name,
7 address, and contact information of the travel retailer and an officer or person
8 who directs or controls the travel retailer's operations, and the travel retailer's
9 Federal Tax Identification Number. The limited lines travel insurance producer
10 shall submit such register to the commissioner upon reasonable request. The
11 limited lines producer shall also certify that the registered travel retailer is not
12 in violation of 18 U.S.C. 1033.

13 C. A travel retailer may offer and disseminate travel insurance under
14 a limited lines travel insurance producer business entity ("licensed business
15 entity") license only if the limited lines travel insurance producer or travel
16 retailer provides written material to purchasers of travel insurance including
17 each of the following:

18 (1) A description of the material terms or the actual material terms of
19 the insurance coverage.

20 (2) A description of the process for filing a claim.

21 (3) A description of the review or cancellation process for the travel
22 insurance policy.

23 (4) The identity and contact information of the insurer and limited lines
24 producer.

25 (5) An explanation that the purchase of travel insurance is not required
26 in order to purchase any other product or service from the travel retailer.

27 (6) An explanation that an unlicensed employee or representative of a
28 travel retailer is permitted to provide general information about the insurance
29 offered by the travel retailer, including a description of the coverage and price,
30 but is not qualified or authorized to answer technical questions about the terms

1 and conditions of the insurance offered by the travel retailer or to evaluate the
2 adequacy of the customer's existing insurance coverage.

3 D. The limited lines travel insurance producer shall designate one of its
4 employees who is a licensed individual producer as the designated responsible
5 producer for the limited lines travel insurance producer's compliance with the
6 Louisiana travel insurance laws, rules, and regulations. The designated
7 responsible producer, president, secretary, treasurer, and any other officer or
8 person who directs or controls the limited lines travel insurance producer's
9 insurance operations shall comply with the fingerprinting requirements
10 applicable to insurance producers in the resident state of the limited lines
11 insurance producer. As the insurer designee, the limited lines travel insurance
12 producer is responsible for the acts of the travel retailer and shall use
13 reasonable means to ensure compliance by the travel retailer with this Part.
14 The limited lines travel insurance producer and any travel retailer offering and
15 disseminating travel insurance under the limited lines travel insurance
16 producer license shall be subject to the applicable unfair trade practice
17 provisions pursuant to R.S. 22:1963 et seq.

18 E. The limited lines travel insurance producer shall require each
19 employee and authorized representative of the travel retailer whose duties
20 include offering and disseminating travel insurance to receive a program of
21 instruction or training which may be subject to review by the commissioner.
22 The training material shall, at a minimum, contain instructions on the types of
23 insurance offered, ethical sales practices, and required disclosures to
24 prospective customers. Limited lines travel insurance producers, and those
25 registered under the producers' licenses are exempt from pre-licensing and
26 continuing education requirements under R.S.22:1573.

27 F. A travel retailer's employee or authorized representative who is not
28 licensed as an insurance producer shall not do any of the following:

29 (1) Evaluate or interpret the technical terms, benefits, and conditions of
30 the offered travel insurance coverage.

1 (2) Evaluate or provide advice concerning a prospective purchaser's
2 existing insurance coverage.

3 (3) Hold himself or itself out as a licensed insurer, licensed producer, or
4 insurance expert.

5 §1782.3. Compensation

6 Notwithstanding any other provision of law to the contrary, a travel
7 retailer whose insurance-related activities, and those of its employees and
8 authorized representatives, are limited to offering and disseminating travel
9 insurance on behalf of and under the direction of a limited lines travel
10 insurance producer meeting the conditions stated in this Part, is authorized to
11 do so and receive related compensation for such services, upon registration by
12 the limited lines travel insurance producer as set forth in R.S. 22:1782.2(B).

13 Section 2. R.S. 22:992 is hereby repealed.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____