

2017 Regular Session

HOUSE BILL NO. 542

BY REPRESENTATIVE STOKES

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE: Provides for travel insurance

1 AN ACT

2 To enact Subpart E of Part IV of Chapter 4 of Title 22 of the Louisiana Revised Statutes of
3 1950, to be comprised of R.S. 22:1351 through 1358, relative to travel insurance; to
4 provide for definitions; to provide for deposits, assessments, fees, and taxes; to
5 provide for sales practices; to provide for travel protection plans; to provide for
6 travel administrators; to provide for promulgation of regulations; and to provide for
7 related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Subpart E of Part IV of Chapter 4 of Title 22 of the Louisiana Revised
10 Statutes of 1950, comprised of R.S. 22:1351 through 1358, is hereby enacted to read as
11 follows:

12 SUBPART E. TRAVEL INSURANCE

13 §1351. Applicability

14 A. This Subpart shall apply to travel insurance, whether or not provided as
15 part of a travel protection plan, where policies and certificates are delivered or issued
16 for delivery in this state.

17 B. This Subpart shall not apply to cancellation fee waivers and travel
18 assistance services, except as expressly provided herein.

19 §1352. Definitions

20 As used in this Subpart, the following definitions apply:

1 (1) "Aggregator site" means a website that provides access to information
2 regarding insurance products from more than one insurer, including product and
3 insurer information, for use in comparison shopping.

4 (2) "Blanket travel insurance" means travel insurance issued to any eligible
5 group providing coverage for specified circumstances and specific classes of persons
6 defined in the policy and issued to a policyholder and not by specifically naming the
7 persons covered, by certificate or otherwise, although a statement of the coverage
8 provided may be given, or required by policy to be given, to eligible persons.

9 (3) "Cancellation fee waiver" means a contractual agreement between a
10 supplier of travel arrangements or travel services and its customer to waive some or
11 all of the nonrefundable cancellation fee or penalty provisions of the underlying
12 travel contract between the supplier and customer. A cancellation fee waiver is not
13 insurance.

14 (4) "Commissioner" means the commissioner of insurance of this state.

15 (5) "Eligible group" means any of the following:

16 (a) Any entity engaged in the business of providing travel or travel services,
17 including but not limited to:

18 (i) Tour operators.

19 (ii) Lodging providers.

20 (iii) Vacation property owners.

21 (iv) Hotels and resorts.

22 (v) Travel clubs.

23 (vi) Property managers.

24 (vii) Cultural exchange programs.

25 (viii) Common carriers of passengers, including but not limited to airlines,
26 cruise lines, railroads, steamship companies, and public bus carriers.

27 (b) Any college, school, or other institution of learning covering students,
28 teachers, or employees defined by reference to specified hazards incident to activities
29 or operations of the institution of learning.

1 (c) Any employer covering any group of employees, contractors, dependents,
2 or guests, defined by reference to specified hazards incident to activities or
3 operations of the employer.

4 (d) Any sports team, camp, or sponsor thereof covering participants,
5 members, campers, employees, officials, supervisors, or volunteers.

6 (e) Any religious, charitable, recreational, educational, or civic organization
7 or branch thereof covering any group of members, participants, or volunteers defined
8 by reference to specified hazards incident to any activity or activities or operations
9 sponsored or supervised by or on the premises of the organization or branch.

10 (f) Any financial institution or financial institution vendor, or parent holding
11 company, trustee, or agent of or designated by one or more financial institutions or
12 financial institution vendors, under which account holders, credit card holders,
13 debtors, guarantors, or purchasers are insured.

14 (g) Any incorporated or unincorporated association, including labor unions,
15 having a common interest, constitution, and bylaws, and organized and maintained
16 in good faith for purposes other than obtaining insurance for members or participants
17 of the association.

18 (h) Any trust or the trustees of a fund established, created, or maintained for
19 the benefit of members or customers of one or more associations meeting the
20 requirements of this Paragraph.

21 (i) Any entertainment production company covering any group of
22 participants, volunteers, audience members, contestants, or workers.

23 (j) Any newspaper or other publisher covering its journalists and carriers.

24 (k) Any volunteer fire department or any first aid, civil defense, or other such
25 volunteer group or agency having jurisdiction thereof, covering all or any group of
26 the members, participants, or volunteers of the fire department or first aid, civil
27 defense, or other group.

28 (l) Any other group for which the commissioner determines that the members
29 are engaged in a common enterprise, or have an economic, educational, or social

1 affinity or relationship, and that issuance of the policy would not be contrary to the
2 best interests of the public.

3 (6) "Group travel insurance" means travel insurance issued to any eligible
4 group.

5 (7) "Limited lines travel insurance producer" has the same meaning as in R.S.
6 22:1782.1.

7 (8) "Offer and disseminate" means providing general information, including
8 a description of the coverage and price, as well as processing the application,
9 collecting premiums, and performing other non-licensable activities permitted by this
10 state.

11 (9) "Travel administrator" means a person who directly or indirectly
12 underwrites, collects charges, collateral, or premiums from, or adjusts or settles
13 claims on residents of this state in connection with travel insurance except that a
14 person shall not be considered a travel administrator if his only action that would
15 otherwise cause him to be considered a travel administrator is one of the following:

16 (a) A person working for a travel administrator to the extent that his activities
17 are subject to the supervision and control of the travel administrator.

18 (b) An insurance producer selling insurance or engaging in administrative and
19 claims-related activities within the scope of the producer's license.

20 (c) A travel retailer offering and disseminating travel insurance and registered
21 under the license of a limited lines travel insurance producer in accordance with the
22 provisions of R.S. 22:1782.2.

23 (d) An individual adjusting or settling claims in the normal course of his
24 practice or employment as an attorney at law and who does not collect charges or
25 premiums in connection with insurance coverage.

26 (e) A business entity that is affiliated with a licensed insurer while acting as
27 a travel administrator for the direct and assumed insurance business of an affiliated
28 insurer.

1 (10) "Travel assistance services" means non-insurance services that may be
2 distributed by limited lines travel insurance producers or other entities and for which
3 there is no indemnification for the travel protection plan customer based on a
4 fortuitous event, nor any transfer or shifting of risk that would constitute the business
5 of insurance. Travel assistance services include but are not limited to security
6 advisories, destination information, vaccination and immunization information
7 services, travel reservation services, entertainment, activity, and event planning,
8 translation assistance, emergency messaging, international legal and medical
9 referrals, medical case monitoring, coordination of transportation arrangements,
10 emergency cash transfer assistance, medical prescription replacement assistance,
11 passport and travel document replacement assistance, lost luggage assistance,
12 concierge services, and any other service that is furnished in connection with planned
13 travel that is not related to the adjudication of a travel insurance claim unless
14 otherwise approved by the commissioner in a travel insurance filing. Travel
15 assistance services are not insurance and not related to insurance.

16 (11) "Travel insurance" has the same meaning as in R.S. 22:1782.1.

17 (12) "Travel protection plan" means a plan that provides any of the following:

18 (a) Travel insurance.

19 (b) Travel assistance services.

20 (c) Cancellation fee waivers.

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

25 §1353. Deposits, assessments, fees, and taxes

26 A travel insurer shall be subject to the provisions of Chapter 3 of this Title,
27 R.S. 22:791 et seq.

1 §1354. Travel protection plans

2 Travel protection plans may be offered for one price in this state if all of the
3 following are met:

4 A. There is no finding by the commissioner, pursuant to R.S. 22:1453, that
5 the travel insurance market in the state is noncompetitive or that the travel protection
6 plan restricts competition by either significantly decreasing output or efficiency in
7 the market or that a travel insurer or travel retailer is exerting sufficient market
8 power in providing travel insurance or a travel protection plan such that competition
9 is adversely impacted or that the travel protection plan would exact burdensome
10 terms that would not exist in a competitive market.

11 B. The travel insurance, travel assistance services, and cancellation fee
12 waivers are clearly delineated in the travel protection plan's fulfillment materials.
13 The fulfillment materials shall include the travel insurance disclosure requirements
14 required pursuant to state law and the contact information for persons providing
15 travel assistance services and cancellation fee waivers, as applicable.

16 C. The travel protection plan clearly discloses to the consumer at or prior to
17 the time of purchase and fulfillment that it includes travel insurance, travel assistance
18 services, and cancellation fee waivers, as applicable, and provides an opportunity for
19 the consumer to obtain additional information regarding the features and pricing of
20 each.

21 §1355. Sales practices

22 A. All persons offering travel insurance to residents of this state shall be
23 subject to the unfair trade practices provisions of Chapter 7 this Title, R.S. 22:1901
24 et seq., except as otherwise provided in this Section.

25 B. It shall not be an unfair trade practice to include blanket travel insurance
26 coverage with the purchase of a trip, provided the coverage is not marketed as free.

1 §1356. Travel administrators

2 A. Notwithstanding any other provisions of this Title, no person shall act or
 3 represent himself as a travel administrator in this state unless that person meets one
 4 of the following conditions:

5 (1) Is a licensed producer for property insurance in this state.

6 (2) Holds a valid managing general agent license in this state.

7 §1357. Policy

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

10 §1358. Regulations

11 The commissioner may, in accordance with the Administrative Procedure
 12 Act, R.S. 49:950 et seq., promulgate rules and regulations as he deems necessary to
 13 enforce the provisions of this Subpart.

14 Section 2. This Act shall become effective on January 1, 2018.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 542 Original

2017 Regular Session

Stokes

Abstract: Provides for the line of travel insurance to be offered in Louisiana.

Proposed law applies to travel insurance where policies and certificates are delivered or issued for delivery in La.

Proposed law subjects travel insurers to the provisions of the Insurance Code in regards to requirements for deposits, assessments, fees, and taxes.

Proposed law allows for the offering of travel protection plans for one price if there is no finding that the travel insurance market is noncompetitive, certain waivers are clearly delineated in the plan's materials, and the plan clearly discloses that it includes travel insurance, travel assistance services, and cancellation fee waivers.

Proposed law allows the inclusion of blanket travel insurance coverage with the purchase of a trip.

Proposed law allows travel insurance to be provided by an individual policy or under a group or master policy.

Proposed law allows the commissioner to promulgate rules and regulations under the APA.

Effective Jan. 1, 2018.

(Adds R.S. 22:1351-1358)