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The original instrument was prepared by Cheryl Horne. The following digest, which does not constitute a part of the legislative instrument, was prepared by Laura Gail Sullivan.

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## DIGEST

Morrish (SB 254)

Present law provides for the definition of limited lines insurance and limited lines producer. Provides for an insurance producer to receive qualification for a license to issue travel insurance coverage for trip cancellation, trip interruption, baggage, life, sickness and accident, disability, and personal effects when limited to a specific trip and sold in connection with transportation provided by a common carrier. Exempts from the requirement of an examination, any applicant who is a ticket selling agent of a railroad company, carrier by air, or public bus carrier, who shall act thereunder as an insurance producer only in reference to the issuance of accident or baggage insurance policies in connection with the transportation ticket.

Proposed law deletes present law and defines travel insurance as coverage for personal risks incident to planned travel, including:

- (1) Interruption or cancellation of a trip or event.
- (2) Loss of baggage or personal effects.
- (3) Damages to accommodations or rental vehicles.
- (4) Sickness, accident, disability, or death occurring during travel.

Proposed law defines a limited lines travel insurance producer (producer) as a:

- (1) Licensed managing general underwriter.
- (2) Licensed managing general agent or third party administrator.
- (3) Licensed insurance producer, including a limited lines producer, designated by an insurer as the travel insurance supervising entity.

Proposed law allows the commissioner to issue to an individual or business entity, who has submitted an application, a limited lines travel insurance producer license which authorizes the producer to sell, solicit, or negotiate travel insurance through a licensed insurer. Provides that the producer shall establish and maintain a register of each travel retailer (retailer) that offers travel insurance on the producer's behalf including the name, address, and contact information of the retailer and an officer or person who directs or controls the retailer's operations.

Proposed law requires the producer or retailer to provide written material to the purchasers of

travel insurance including the following:

- (1) A description of the material terms or the actual material terms of the insurance coverage.
- (2) A description of the process for filing a claim.
- (3) A description of the review or cancellation process for the travel insurance policy.
- (4) The identity and contact information of the insurer and limited lines producer.
- (5) An explanation that the purchase of travel insurance is not required in order to purchase any other product or service from the travel retailer.
- (6) An explanation that an unlicensed employee or representative of a travel retailer is permitted to provide general information about the insurance offered by the travel retailer, 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.

Proposed law requires a producer to designate one of its employees, who is a licensed individual producer, as the designated responsible producer for the limited lines travel insurance producer's compliance with La. travel insurance laws, rules, and regulations. Requires anyone who directs or controls the producer's operations to comply with the fingerprinting requirements applicable to the producer's resident state. Requires producers and retailers to be subject to the applicable unfair trade practice provisions as provided in present law.

Proposed law requires the producer to provide a program of instruction or training to each employee and authorized representative of the retailer. The training material shall, at a minimum, contain instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers. Exempts any producer and those registered under its license from pre-licensing and continuing education requirements in present law.

Proposed law prohibits a travel retailer's employee or authorized representative who is not licensed as a producer from evaluating or interpreting technical terms, benefits, and conditions of the offered travel insurance coverage, providing advice concerning a prospective purchaser's existing insurance coverage or holding himself or itself out as a licensed insurer, producer, or insurance expert.

Proposed law permits a travel retailer whose insurance-related activities, and those of its employees and authorized representatives, are limited to offering and disseminating travel insurance on behalf of and under the direction of a producer meeting the conditions of proposed law to receive related compensation for such services upon the registration by the producer as set forth in proposed law.

Present law defines a transportation ticket policy, which may be issued by a health and accident

insurer, as any ticket policy sold at stations, ticket offices, or travel bureaus by employees of railroads, steamship lines, airlines, and other common carriers, or by individuals or employees of persons engaged in selling transportation on such common carriers, having as its dominant feature the protection of the insured from a transportation hazard.

Proposed law repeals the transportation ticket policy definition.

Effective August 1, 2014.

(Amends R.S. 22:1542, 1547(A), and 1551(C); adds R.S. 22:1542(21) and (22) and 1782.1 through 1782.3; repeals R.S. 22:992)

### Summary of Amendments Adopted by Senate

#### Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Makes technical corrections.