

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
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As Engrossed: H3/27/13 H4/6/13

A Bill

HOUSE BILL 2009

By: Representative Copenhaver

By: Senator J. Woods

For An Act To Be Entitled

AN ACT TO ESTABLISH A LICENSE FOR A LIMITED LINES
TRAVEL INSURANCE PRODUCER; AND FOR OTHER PURPOSES.

Subtitle

TO ESTABLISH A LICENSE FOR A LIMITED
LINES TRAVEL INSURANCE PRODUCER.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 23-64-202(c)(3), concerning the general license requirements for those in the insurance business, is amended to read as follows:

~~(3) Transportation ticket agents of common carriers applying for licenses to solicit and sell only accident insurance ticket policies or insurance of personal effects while being carried as baggage on the common carrier, as incidental to their duties as transportation ticket agents~~
Limited lines travel insurance producers and their travel retailers;

SECTION 2. Arkansas Code § 23-64-202, concerning the general license requirements for those in the insurance business, is amended to add an additional subsection to read as follows:

(e)(1) As used in this section:

(A) "Limited lines travel insurance producer" means a licensed insurance producer or agent designated as the travel insurance supervising entity under subdivision (e)(8) of this section;

(B) "Offer and disseminate" means to:



(i) Provide general information, including without limitation a description of the insurance coverage and the cost of the insurance coverage;

(ii) Process an application for insurance coverage;

(iii) Collect the premiums for insurance coverage;

and

(iv) Perform other nonlicensed activities allowed by the insurance laws of this state;

(C)(i) "Travel insurance" means insurance coverage for personal risks incident to planned travel, including without limitation:

(a) Interruption or cancellation of a trip or event;

(b) Loss of baggage or personal effects;

(c) Damages to accommodations or rental vehicles; and

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

(ii) "Travel insurance" does not include major medical plans that provide comprehensive medical protection for travelers on trips of six (6) months or more, including without limitation working overseas and deployment of military personnel; and

(D) "Travel retailer" means a business entity that makes, arranges, and offers travel services and offers travel insurance as a service to its customers on behalf of a limited lines travel insurance producer.

(2) The commissioner may issue to a limited lines travel insurance producer in compliance with this section a limited license to offer or sell travel insurance.

(3) A travel retailer may offer and disseminate travel insurance under a limited lines travel insurance producer license if the limited lines travel insurance producer:

(A) Provides a purchaser with the material terms of the insurance coverage or a description of the material terms, a description of the process for filing a claim, the review or cancellation process for the travel insurance policy, and the identity of and contact information for the insurer and limited lines travel insurance producer;

(B)(i) Establishes at the time of licensure and maintains

a register on a form prescribed by the commissioner of each travel retailer that offers travel insurance on behalf of the limited lines travel insurance producer.

(ii) The register shall include:

(a) The identity of and contact information for the travel retailer and an officer or other person who directs or controls the travel retailer's operations; and

(b) The federal employer identification number of the travel retailer;

(C)(i) Provides on application for and renewal of a limited lines travel insurance producer license, a list of each travel retailer that offers travel insurance on its behalf.

(ii) The limited lines travel insurance producer shall certify that the travel retailer is in compliance with 18 U.S.C. § 1033, as it existed on January 1, 2013;

(D) Designates an employee who is a licensed individual producer to be responsible for compliance issues;

(E) Pays the applicable insurance producer licensing fees;
and

(F)(i) Requires each employee of the travel retailer that offers and disseminates travel insurance to receive instruction or training that may be reviewed by the commissioner.

(ii) At a minimum, the training material shall contain instructions on the types of insurance offered, ethical sales practices, and the required disclosures to provide to customers.

(4) In a brochure or other written materials, a travel retailer shall make available to customers the following information:

(A) The identity of and contact information for the insurer and limited lines travel insurance producer;

(B) An explanation that the purchase of travel insurance is not required to purchase any other product or service from the travel retailer; and

(C) An explanation that an unlicensed travel retailer may provide general information about the insurance coverage offered by the travel retailer, including a description of the insurance coverage and the cost of the insurance coverage, but shall not answer technical questions

about the insurance terms offered by the travel retailer or provide an evaluation of the adequacy of any existing insurance coverage.

(5) A travel retailer that is not licensed as an insurance producer shall not:

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

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

(C) Hold itself out as a licensed insurer, producer, or insurance expert.

(6) A travel retailer and its employees that receive training under subdivision (e)(3)(F) of this section and whose insurance-related activities are limited to offering and disseminating travel insurance on behalf of a limited lines travel insurance producer that is licensed under this subchapter may receive compensation if listed on the registry maintained by the limited lines travel insurance producer under subdivision (e)(3)(B) of this section.

(7) Travel insurance may be provided under an individual policy, a group policy, or a master policy.

(8) As the insurer designee, the limited lines travel insurance producer is responsible for the acts of the travel retailer and shall use reasonable means to ensure compliance by the travel retailer with this section.

(9) The limited lines travel insurance producer and a travel retailer offering and disseminating travel insurance under the limited lines travel insurance producer license are subject to the Trade Practices Act, § 23-66-201 et seq., and the licensing requirements of the Producer Licensing Model Act, § 23-64-501 et seq.

/s/Copenhaver