

# MAINE STATE LEGISLATURE

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Date: 5/7/15

(Filing No. H-119)

Majority

**INSURANCE AND FINANCIAL SERVICES**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
127TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 672, L.D. 975, Bill, "An Act Regarding Travel Insurance in the Maine Insurance Code"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

**Sec. 1. 24-A MRSA §601, sub-§31** is enacted to read:

**31. Supervising travel insurance producer.** Supervising travel insurance producer licensing fees may not exceed:

- A. Original license issuance fee, \$500; and
- B. Annual renewal fee, \$300.

**Sec. 2. 24-A MRSA §1420-F, sub-§1, ¶H,** as enacted by PL 2001, c. 259, §24, is repealed and the following enacted in its place:

**H. Travel insurance, which is a limited line and which means insurance coverage for personal risks incident to planned travel, including but not limited to:**

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

**Travel insurance does not include a major medical plan that provides comprehensive medical protection for travelers on trips lasting 6 months or longer;**

**Sec. 3. 24-A MRSA §1420-H, sub-§3, ¶B,** as enacted by PL 2001, c. 259, §24, is amended to read:

B. An applicant for a license as a limited insurance producer who solicits or sells travel ~~and baggage~~ insurance;

**COMMITTEE AMENDMENT**

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Sec. 4. 24-A MRSA c. 90 is enacted to read:

**CHAPTER 90**

**LIMITED LINES TRAVEL INSURANCE**

**§7051. Short title**

This chapter may be known and cited as "the Limited Lines Travel Insurance Act."

**§7052. Definitions**

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Designated responsible producer.** "Designated responsible producer" means the individual licensed producer responsible for ensuring compliance by the supervising travel insurance producer with travel insurance laws and rules of the State.

**2. Offer and disseminate.** "Offer and disseminate" means providing general information, including a description of the coverage and price, as well as processing the application and collecting premiums.

**3. Supervising travel insurance producer.** "Supervising travel insurance producer" means a business entity licensed in accordance with this chapter to sell, solicit and negotiate travel insurance that is offered and disseminated by travel retailers.

**4. Travel insurance.** "Travel insurance" means insurance coverage as defined in section 1420-F, subsection 1, paragraph H.

**5. Travel retailer.** "Travel retailer" means a business entity that makes, arranges or offers travel services.

**§7053. Licensure; nonlicensed activities; compensation**

**1. Issuance of license.** Upon receipt of an application in the form and manner prescribed by the superintendent, the superintendent may issue a supervising travel insurance producer license, which is a limited license, to a business entity authorizing the business entity to sell, solicit or negotiate travel insurance as a supervising travel insurance producer on behalf of a licensed insurer.

**2. Nonlicensed activities.** A travel retailer or its employees or authorized representatives do not need a license under this chapter if the retailer is on the registry, as provided in section 7054, subsection 2, and the insurance-related activities of the travel retailer, its employees and authorized representatives are limited to offering and disseminating travel insurance in compliance with this chapter.

**3. Compensation.** If the insurance-related activities of a travel retailer and its employees and authorized representatives are limited to offering and disseminating travel insurance on behalf of and under the direction of a supervising travel insurance producer, and the travel retailer is registered pursuant to section 7054, subsection 2, the travel retailer and its employees are permitted to receive related compensation on sales made in accordance with this chapter.

**§7054. Requirements**

A travel retailer is authorized to offer and disseminate travel insurance on behalf of and under the authority of a supervising travel insurance producer if the following requirements are met.

**1. Disclosure.** The supervising travel insurance producer or travel retailer shall provide to purchasers of travel insurance brochures or other written materials that include:

A. A description of the material terms of the insurance coverage including:

(1) The identity and contact information of the insurer, supervising travel insurance producer and designated responsible producer;

(2) The amount of any applicable deductible and how it is to be paid;

(3) The benefits of the coverage; and

(4) Key terms and conditions of coverage;

B. An explanation that the purchase of travel insurance is not required in order to purchase any other product or service from the travel retailer;

C. An explanation that a travel retailer that is not licensed as an insurance producer is only permitted to provide general information about the insurance offered by the supervising travel insurance producer or insurer, 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;

D. A description of the process for filing a claim; and

E. A description of the review or cancellation process for the travel insurance policy.

**2. Registry of travel retailers.** The supervising travel insurance producer shall establish and update a register on a form prescribed by the superintendent of each travel retailer that offers travel insurance on the supervising travel insurance producer's behalf. The register must include the name, address and contact information of the travel retailer and an officer or person who directs or controls the travel retailer's operations and the travel retailer's federal employer identification number. The supervising travel insurance producer shall submit the register to the superintendent upon request. The supervising travel insurance producer shall certify that the registered travel retailer complies with 18 United States Code, Section 1033.

**3. Designated responsible producer.** The supervising travel insurance producer shall designate one of its employees who is a licensed insurance producer under chapter 16, subchapter 2-A as the designated responsible producer.

**4. License continuation or termination.** Each supervising travel insurance producer license issued under this chapter is subject to section 1416-A.

**5. Fees.** The supervising travel insurance producer shall pay all applicable insurance producer licensing fees as set forth in section 601, subsection 31.

1 6. Training. The supervising travel insurance producer shall require each employee  
2 of the travel retailer whose duties include offering and disseminating travel insurance to  
3 receive a program of instruction or training, which may be subject to review by the  
4 superintendent. The training material must, at a minimum, contain instructions on the  
5 types of insurance offered, ethical sales practices and required brochures or other written  
6 materials provided to prospective customers.

7 **§7055. Prohibited acts**

8 An employee or representative of a travel retailer who is not licensed as an insurance  
9 producer may not:

10 1. Technical terms. Evaluate or interpret the technical terms, benefits and  
11 conditions of the offered travel insurance coverage;

12 2. Advice. Evaluate or provide advice concerning a prospective purchaser's existing  
13 insurance coverage; or

14 3. Purport to be licensed. Purport to be a licensed insurer, licensed producer or  
15 insurance expert or represent that the travel retailer is so licensed or has insurance  
16 expertise.

17 **§7056. Policy; responsibilities; enforcement**

18 1. Policy. Travel insurance may be provided under an individual policy or under a  
19 group or master policy.

20 2. Responsibility. A supervising travel insurance producer is responsible for the  
21 acts of a travel retailer offering and disseminating travel insurance under the supervising  
22 travel insurance producer's authority and shall use reasonable means to ensure  
23 compliance by the travel retailer with this chapter.

24 3. Enforcement. A supervising travel insurance producer and any travel retailer  
25 offering and disseminating travel insurance are subject to chapters 16 and 23.'

26 **SUMMARY**

27 This amendment replaces the bill. The amendment establishes a supervising travel  
28 insurance producer license under the Maine Insurance Code. Like the bill, the  
29 amendment regulates the practice of providing travel insurance to consumers in the State  
30 and sets out the requirements for allowing a travel retailer to offer and disseminate travel  
31 insurance.

32 **FISCAL NOTE REQUIRED**

33 (See attached)



# 127th MAINE LEGISLATURE

LD 975

LR 1451(02)

**An Act Regarding Travel Insurance in the Maine Insurance Code**

**Fiscal Note for Bill as Amended by Committee Amendment**

*A' (H-119)*

**Committee: Insurance and Financial Services**

**Fiscal Note Required: Yes**

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## Fiscal Note

Minor cost increase - Other Special Revenue Funds  
Minor revenue increase - Other Special Revenue Funds

### Fiscal Detail and Notes

Any additional costs to the Department of Professional and Financial Regulation from the provisions of this bill are expected to be minor and can be absorbed within existing budgeted resources.

Any additional revenue received by the Department of Professional and Financial Regulation related to the changes in this bill are expected to be minor.