

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 975

H.P. 672

House of Representatives, March 18, 2015

An Act Regarding Travel Insurance in the Maine Insurance Code

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative BECK of Waterville.
Cosponsored by Senator BAKER of Sagadahoc and
Representatives: BROOKS of Lewiston, FOLEY of Wells, PICCHIOTTI of Fairfield,
PRESCOTT of Waterboro, SANDERSON of Chelsea, Senator: HASKELL of Cumberland.

1 **Be it enacted by the People of the State of Maine as follows:**

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

3 **31. Limited lines travel insurance producer.** Limited lines travel insurance
4 producer licensing fees may not exceed:

5 A. Original license issuance fee, \$500; and

6 B. Annual renewal fee, \$300.

7 **Sec. 2. 24-A MRSA §1420-F, sub-§1, ¶H,** as enacted by PL 2001, c. 259, §24,
8 is amended to read:

9 H. Travel accident and baggage insurance contracts as defined in section 7052,
10 subsection 4, which are is a limited line;

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

13 B. An applicant for a license as a limited lines travel insurance producer who solicits
14 or sells travel and baggage insurance as defined in section 7052, subsection 2;

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

16 **CHAPTER 90**

17 **LIMITED LINES TRAVEL INSURANCE**

18 **§7051. Short title**

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

20 **§7052. Definitions**

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

23 **1. Designated responsible producer.** "Designated responsible producer" means the
24 individual licensed producer responsible for ensuring compliance by the limited lines
25 travel insurance producer with travel insurance laws and rules of the State.

26 **2. Limited lines travel insurance producer.** "Limited lines travel insurance
27 producer" means an insurance producer that is designated by an insurer as the travel
28 insurance supervising entity that is a licensed:

29 A. Managing general underwriter;

30 B. Managing general agent or 3rd-party administrator; or

31 C. Insurance producer designated by an insurer.

1 **3. Offer and disseminate.** "Offer and disseminate" means providing general
2 information, including a description of the coverage and price, as well as processing the
3 application, collecting premiums and performing other nonlicensed activities permitted
4 by the State.

5 **4. Travel insurance.** "Travel insurance" means insurance coverage for personal
6 risks incident to planned travel, including but not limited to:

- 7 A. Interruption or cancellation of a trip or event;
- 8 B. Loss of baggage or personal effects;
- 9 C. Damages to accommodations or rental vehicles; or
- 10 D. Sickness, accident, disability or death occurring during travel.

11 "Travel insurance" does not include a major medical plan that provides comprehensive
12 medical protection for travelers with trips lasting 6 months or longer, including those
13 working abroad and military personnel.

14 **5. Travel retailer.** "Travel retailer" means a business entity that makes, arranges or
15 offers travel services and may offer and disseminate travel insurance as a service to its
16 customers on behalf of and under the direction of a limited lines travel insurance
17 producer.

18 **§7053. Licensure**

19 **1. Issuance of license.** Notwithstanding any other provision of this Title, upon filing
20 an application for a limited license in the form and manner prescribed by the
21 superintendent, the superintendent may issue a limited lines travel insurance producer
22 license to an individual or business entity authorizing the individual or business entity to
23 sell, solicit or negotiate travel insurance as a limited lines travel insurance producer
24 through a licensed insurer.

25 **§7054. Requirements**

26 A limited lines travel insurance producer may authorize a travel retailer to offer and
27 disseminate travel insurance only after the limited lines travel insurance producer has met
28 the following requirements.

29 **1. Disclosure.** The limited lines travel insurance producer or travel retailer shall
30 provide to purchasers of travel insurance:

- 31 A. A description of the material terms or the actual material terms of the insurance
32 coverage;
- 33 B. A description of the process for filing a claim;
- 34 C. A description of the review or cancellation process for the travel insurance policy;
35 and
- 36 D. The identity and contact information of the designated responsible producer and
37 limited lines travel insurance producer.

1 **2. Registry of travel retailers.** The limited lines travel insurance producer shall
2 establish and maintain a register on a form prescribed by the superintendent of each travel
3 retailer that offers travel insurance on the limited lines travel insurance producer's behalf.
4 The register must be maintained and updated by the limited lines travel insurance
5 producer and must include the name, address and contact information of the travel retailer
6 and an officer or person who directs or controls the travel retailer's operations and the
7 travel retailer's federal employer identification number. The limited lines travel insurance
8 producer shall submit the register to the superintendent upon request. The limited lines
9 travel insurance producer shall certify that the travel retailer registered complies with
10 applicable federal law.

11 **3. Designated responsible producer.** The limited lines travel insurance producer
12 shall designate one of its employees who is a licensed insurance producer under chapter
13 16, subchapter 2-A as the designated responsible producer.

14 **4. Fees.** The limited lines travel insurance producer shall pay all applicable
15 insurance producer licensing fees as set forth in section 601, subsection 31.

16 **5. Training.** The limited lines travel insurance producer shall require each employee
17 of the travel retailer whose duties include offering and disseminating travel insurance to
18 receive a program of instruction or training, which may be subject to review by the
19 superintendent. The training material must, at a minimum, contain instructions on the
20 types of insurance offered, ethical sales practices and required disclosures to prospective
21 customers.

22 **§7055. Brochures**

23 **1. Brochures.** Any travel retailer offering or disseminating travel insurance shall
24 make available to prospective purchasers brochures or other written materials that:

25 A. Provide the identity and contact information of the insurer and the limited lines
26 travel insurance producer;

27 B. Explain that the purchase of travel insurance is not required in order to purchase
28 any other product or service from the travel retailer; and

29 C. Explain that a travel retailer that is not licensed as an insurance producer is
30 permitted to provide general information about the insurance offered by the travel
31 insurance producer or insurer, including a description of the coverage and price, but
32 is not qualified or authorized to answer technical questions about the terms and
33 conditions of the insurance offered by the travel retailer or to evaluate the adequacy
34 of the customer's existing insurance coverage.

35 **§7056. Prohibited acts**

36 **1. Prohibited acts.** A travel retailer that is not licensed as an insurance producer
37 may not:

38 A. Evaluate or interpret the technical terms, benefits and conditions of the offered
39 travel insurance coverage;

