



February 8, 2022

ENGROSSED SENATE BILL No. 277

DIGEST OF SB 277 (Updated February 8, 2022 8:57 am - DI 140)

Citations Affected: IC 27-1; IC 27-4; IC 27-7.

Synopsis: Travel insurance. Adds and amends definitions regarding travel insurance. Permits the commissioner of the department of insurance to issue a limited lines travel insurance producer license to a travel retailer if certain conditions are met. Establishes requirements for offering and disseminating information regarding travel insurance policies.

Effective: July 1, 2022.

**Zay, Bohacek, Walker K,
Randolph Lonnie M, Sandlin**
(HOUSE SPONSORS — CARBAUGH, LEHMAN)

January 10, 2022, read first time and referred to Committee on Insurance and Financial Institutions.

January 20, 2022, reported favorably — Do Pass.

January 24, 2022, read second time, ordered engrossed. Engrossed.

January 25, 2022, read third time, passed. Yeas 46, nays 0.

HOUSE ACTION

February 1, 2022, read first time and referred to Committee on Financial Institutions and Insurance.

February 8, 2022, reported — Do Pass.

ES 277—LS 6887/DI 137



February 8, 2022

Second Regular Session of the 122nd General Assembly (2022)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2021 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 277

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 27-1-15.6-2, AS AMENDED BY P.L.208-2018,
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2022]: Sec. 2. Except as otherwise provided in this section,
4 the following definitions apply throughout this chapter, IC 27-1-15.7,
5 ~~and~~ IC 27-1-15.8, **and IC 27-7-17:**
6 (1) "Bureau" refers to the child support bureau established by
7 IC 31-25-3-1.
8 (2) "Business entity" means a corporation, an association, a
9 partnership, a limited liability company, a limited liability
10 partnership, or another legal entity.
11 (3) "Commissioner" means the insurance commissioner appointed
12 under IC 27-1-1-2.
13 (4) "Consultant" means a person who:
14 (A) holds himself or herself out to the public as being engaged
15 in the business of offering; or
16 (B) for a fee, offers;
17 any advice, counsel, opinion, or service with respect to the

ES 277—LS 6887/DI 137



- 1 benefits, advantages, or disadvantages promised under any policy
 2 of insurance that could be issued in Indiana.
- 3 (5) "Delinquent" means the condition of being at least:
 4 (A) two thousand dollars (\$2,000); or
 5 (B) three (3) months;
 6 past due in the payment of court ordered child support.
- 7 (6) "Designated home state license" means a license issued by the
 8 commissioner to an insurance producer who:
 9 (A) maintains the insurance producer's principal place of
 10 residence or principal place of business in a state that does not
 11 license insurance producers for the line of authority for which
 12 the insurance producer seeks licensure in Indiana; and
 13 (B) is permitted by the commissioner to designate Indiana as
 14 the insurance producer's nonresident home state.
- 15 (7) "FINRA" refers to the independent Financial Industry
 16 Regulatory Authority.
- 17 (8) "Home state" means the District of Columbia or any state or
 18 territory of the United States in which an insurance producer:
 19 (A) maintains the insurance producer's principal place of
 20 residence or principal place of business; and
 21 (B) is licensed to act as an insurance producer.
 22 This subdivision does not apply to IC 27-1-15.8.
- 23 (9) "Insurance producer" means a person required to be licensed
 24 under the laws of Indiana to sell, solicit, or negotiate insurance.
- 25 (10) "License" means a document issued by the commissioner
 26 authorizing a person to act as an insurance producer for the lines
 27 of authority specified in the document. The license itself does not
 28 create any authority, actual, apparent, or inherent, in the holder to
 29 represent or commit an insurance carrier.
- 30 (11) "Limited line credit insurance" includes the following:
 31 (A) Credit life insurance.
 32 (B) Credit disability insurance.
 33 (C) Credit property insurance.
 34 (D) Credit unemployment insurance.
 35 (E) Involuntary unemployment insurance.
 36 (F) Mortgage life insurance.
 37 (G) Mortgage guaranty insurance.
 38 (H) Mortgage disability insurance.
 39 (I) Guaranteed automobile protection (gap) insurance.
 40 (J) Any other form of insurance:
 41 (i) that is offered in connection with an extension of credit
 42 and is limited to partially or wholly extinguishing that credit



- 1 obligation; and
 2 (ii) that the insurance commissioner determines should be
 3 designated a form of limited line credit insurance.
 4 (12) "Limited line credit insurance producer" means a person who
 5 sells, solicits, or negotiates one (1) or more forms of limited line
 6 credit insurance coverage to individuals through a master,
 7 corporate, group, or individual policy.
 8 (13) "Limited lines insurance" means any of the following:
 9 (A) The lines of insurance defined in section 18 of this
 10 chapter.
 11 (B) Any line of insurance the recognition of which is
 12 considered necessary by the commissioner for the purpose of
 13 complying with section 8(e) of this chapter.
 14 (C) For purposes of section 8(e) of this chapter, any form of
 15 insurance with respect to which authority is granted by a home
 16 state that restricts the authority granted by a limited lines
 17 producer's license to less than total authority in the associated
 18 major lines described in section 7(a)(1) through 7(a)(6) of this
 19 chapter.
 20 (14) "Limited lines producer" means a person authorized by the
 21 commissioner to sell, solicit, or negotiate limited lines insurance.
 22 (15) "Limited lines travel insurance producer" means a ~~person~~
 23 ~~designated by an insurer to sell, solicit, or negotiate a travel~~
 24 ~~insurance policy. The term includes any of the following:~~
 25 ~~(A) A managing general underwriter.~~
 26 **(A) A travel administrator.**
 27 **(B) A licensed managing general agent or third party**
 28 **administrator.**
 29 **(C) A licensed insurance producer, including a limited lines**
 30 **producer.**
 31 (16) "Negotiate" means the act of conferring directly with or
 32 offering advice directly to a purchaser or prospective purchaser of
 33 a particular contract of insurance concerning any of the
 34 substantive benefits, terms, or conditions of the contract, provided
 35 that the person engaged in that act either sells insurance or
 36 obtains insurance from insurers for purchasers.
 37 **(17) "Offer and disseminate" includes the following acts:**
 38 **(A) Providing general information regarding an insurance**
 39 **policy, including a description of the coverage and price.**
 40 **(B) Processing an application for an insurance policy.**
 41 **(C) Collecting premiums for an insurance policy.**
 42 ~~(17)~~ **(18) "Person" means an individual or a business entity.**



- 1 ~~(18)~~ **(19)** "Sell" means to exchange a contract of insurance by any
 2 means, for money or its equivalent, on behalf of a company.
 3 ~~(19)~~ **(20)** "Solicit" means attempting to sell insurance or asking or
 4 urging a person to apply for a particular kind of insurance from a
 5 particular company.
 6 ~~(20)~~ **(21)** "Surplus lines producer" means a person who sells,
 7 solicits, negotiates, or procures from an insurance company not
 8 licensed to transact business in Indiana an insurance policy that
 9 cannot be procured from insurers licensed to do business in
 10 Indiana.
 11 ~~(21)~~ **(22)** "Terminate" means:
 12 (A) the cancellation of the relationship between an insurance
 13 producer and the insurer; or
 14 (B) the termination of a producer's authority to transact
 15 insurance.
 16 **(23) "Travel administrator" means a person that directly or**
 17 **indirectly underwrites, collects charges, collateral, or**
 18 **premiums from, or adjusts or settles claims on residents of**
 19 **this state in connection with travel insurance. The term does**
 20 **not include the following:**
 21 **(A) A person working for a travel administrator, to the**
 22 **extent the person's activities are subject to the supervision**
 23 **and control of the travel administrator.**
 24 **(B) An insurance producer selling insurance or engaged in**
 25 **administrative and claims related activities within the**
 26 **scope of the insurance producer's license.**
 27 **(C) A travel retailer offering and disseminating travel**
 28 **insurance that is registered under the license of a limited**
 29 **lines travel insurance producer.**
 30 **(D) An individual adjusting or settling claims in the normal**
 31 **course of the individual's practice or employment as an**
 32 **attorney at law who does not collect charges or premiums**
 33 **in connection with insurance coverage.**
 34 **(E) A business entity that is affiliated with a licensed**
 35 **insurer while acting as a travel administrator for the direct**
 36 **and assumed insurance business of an affiliated insurer.**
 37 ~~(22)~~ **(24)** "Travel insurance" means insurance coverage for
 38 personal risks incident to planned travel, including the following:
 39 (A) Interruption or cancellation of a trip or an event.
 40 (B) Loss of baggage or personal effects.
 41 (C) Damage to accommodations or rental vehicles.
 42 (D) Sickness, accident, disability, or death that occurs during



1 travel.

2 **(E) Emergency evacuation.**

3 **(F) Repatriation of remains.**

4 **(G) Any other contractual obligation to indemnify or pay**
 5 **a specified amount to a traveler upon determinable**
 6 **contingencies related to travel, as approved by the**
 7 **commissioner.**

8 The term does not include a major medical plan that provides
 9 comprehensive medical insurance for a traveler on a trip that lasts
 10 at least six (6) months, including a traveler who is an individual
 11 who works overseas as an expatriate or is deployed as a member
 12 of the military, **or any other product that requires a specific**
 13 **insurance producer license.**

14 ~~(23)~~ **(25)** "Travel retailer" means a business entity that ~~offers and~~
 15 ~~delivers travel insurance on behalf of and under the direction of~~
 16 ~~a limited lines travel insurance producer: makes, arranges, or~~
 17 ~~offers planned travel and may offer or disseminate travel~~
 18 ~~insurance as a service to its customers on behalf of and under~~
 19 ~~the direction of a limited lines travel insurance producer.~~

20 SECTION 2. IC 27-1-15.6-19.7 IS REPEALED [EFFECTIVE JULY
 21 1, 2022]. Sec. ~~19.7.~~ (a) A travel retailer and the travel retailer's
 22 employees and authorized representatives may offer and deliver a
 23 travel insurance policy if all of the following apply:

24 (1) The travel insurance policy is offered and delivered under a
 25 limited lines travel insurance producer license that is issued to a
 26 business entity described in subsection (b):

27 (2) The travel retailer is registered by the business entity as
 28 described in subsection (b):

29 (b) A business entity that holds a limited lines travel insurance
 30 producer license may register as a travel retailer to offer and deliver a
 31 travel insurance policy on the business entity's behalf if the business
 32 entity complies with all of the following:

33 (1) The business entity is clearly identified as the limited lines
 34 travel insurance producer, including the business entity's name
 35 and contact information, on all marketing materials and
 36 information delivered to customers by the travel retailer:

37 (2) The business entity does all of the following:

38 (A) Maintains a register of each travel retailer that offers travel
 39 insurance on the business entity's behalf, including all of the
 40 following:

41 (i) The name and contact information of the travel retailer:

42 (ii) The name and contact information of an officer or other



1 individual who controls the travel retailer's operations:

2 (iii) The travel retailer's federal employer identification
3 number:

4 (B) Certifies that each registered travel retailer complies with
5 18 U.S.C. 1033:

6 (C) Submits to the commissioner, not more than thirty (30)
7 days after receiving a request from the commissioner, the
8 register maintained under this subdivision:

9 (D) Designates an individual employee who is licensed as an
10 insurance producer to be responsible for the business entity's
11 compliance with the insurance laws of the state:

12 (E) Pays all required insurance producer licensing fees:

13 (F) Requires each travel retailer employee or authorized
14 representative who offers or delivers travel insurance policies
15 to receive a program of instruction or training that has been
16 reviewed by the commissioner:

17 (e) A business entity is responsible for the acts of a travel retailer
18 registered by the business entity as described in this section:

19 SECTION 3. IC 27-1-15.6-19.9 IS ADDED TO THE INDIANA
20 CODE AS A NEW SECTION TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2022]: **Sec. 19.9. (a) The commissioner may**
22 **issue a limited lines travel insurance producer license to a person**
23 **that files an application with the commissioner for a limited lines**
24 **travel producer insurance license in the form and manner**
25 **prescribed by the commissioner. A limited lines travel insurance**
26 **producer licensed under this subsection may sell, solicit, or**
27 **negotiate travel insurance through a licensed insurer. A person**
28 **may not act as a limited lines travel insurance producer unless**
29 **properly licensed or as a travel insurance retailer unless properly**
30 **registered.**

31 (b) A travel retailer may offer and disseminate travel insurance
32 under a limited lines travel insurance producer business entity
33 license only if the following conditions are met:

34 (1) The travel retailer or limited lines travel insurance
35 provider provides the following information to purchasers of
36 a travel insurance policy:

37 (A) A description of the material terms or the actual
38 material terms of the insurance coverage.

39 (B) A description of the process for filing a claim.

40 (C) A description of the review or cancellation process for
41 the travel insurance policy.

42 (D) The identity and contact information of the insurer and



- 1 **limited lines travel insurance producer.**
2 **(2) At the time of licensure, the limited lines travel insurance**
3 **producer establishes and maintains a register, on a form**
4 **prescribed by the commissioner, of each travel retailer that**
5 **offers travel insurance on behalf of the limited lines travel**
6 **insurance producer. The register must be maintained and**
7 **updated by the limited lines travel insurance producer and**
8 **include the name, address, and contact information of the**
9 **travel retailer, the individual who directs or controls the**
10 **travel retailer's operations, and the travel retailer's federal**
11 **tax identification number. The limited lines travel insurance**
12 **producer must submit the register to the department upon**
13 **reasonable request. The limited lines travel insurance**
14 **producer must also certify the travel retailer registered**
15 **complies with 18 U.S.C. 1033. The grounds for suspension and**
16 **revocation and the penalties applicable to resident insurance**
17 **producers under section 12 of this chapter apply to travel**
18 **retailers and limited lines travel insurance producers**
19 **operating under this subsection.**
20 **(3) The limited lines travel insurance producer designates an**
21 **individual employee who is a licensed insurance producer as**
22 **the designated responsible producer responsible for the travel**
23 **retailer's compliance with the travel insurance laws and**
24 **regulations applicable to the limited lines travel insurance**
25 **producer and its registrants.**
26 **(4) The designated responsible producer, president, secretary,**
27 **treasurer, and any other officer or individual who directs or**
28 **controls the operations of the limited lines travel insurance**
29 **producer complies with the fingerprinting requirements**
30 **applicable to insurance producers in the resident state of the**
31 **limited lines travel insurance producer.**
32 **(5) The limited lines travel insurance producer pays all**
33 **applicable licensing fees required by state law.**
34 **(6) The limited lines travel insurance producer requires each**
35 **employee and authorized representative of the travel retailer**
36 **whose duties include offering and disseminating travel**
37 **insurance to receive a training program, which is subject to**
38 **the review and approval of the commissioner. The training**
39 **material must, at a minimum, contain adequate instructions**
40 **on the types of insurance offered, ethical sales practices, and**
41 **required disclosures to prospective purchasers.**
42 **(c) A travel retailer that offers or disseminates travel insurance**



1 must make available to prospective purchasers any brochures or
2 other written materials approved by the travel insurer. The
3 brochures or other written materials must include, at a minimum,
4 the following information:

5 (1) The identity and contact information of the insurer and
6 the limited lines travel insurance producer.

7 (2) An explanation that the purchase of travel insurance is not
8 required to purchase any other product or service from the
9 travel retailer.

10 (3) An explanation that an unlicensed travel retailer is
11 permitted to provide only general information about the
12 travel insurance offered by the travel retailer, including a
13 description of the coverage and price, but is not qualified or
14 authorized to answer technical questions about the terms and
15 conditions of the travel insurance offered by the travel
16 retailer or to evaluate the adequacy of the prospective
17 purchaser's existing insurance coverage.

18 (d) An employee or authorized representative of a travel retailer
19 who is not licensed as an insurance producer may not:

20 (1) evaluate or interpret the technical terms, benefits, or
21 conditions of the offered travel insurance coverage;

22 (2) evaluate or provide advice concerning a prospective
23 purchaser's existing insurance coverage; or

24 (3) hold himself or herself out as a licensed insurer, licensed
25 producer, or insurance expert.

26 (e) Notwithstanding any other law, a travel retailer whose
27 insurance related activities, including the activities of its employees
28 and authorized representatives, are limited to offering and
29 disseminating travel insurance on behalf of and under the direction
30 of a limited lines travel insurance producer as required under this
31 section may receive related compensation upon registration by the
32 limited lines travel insurance producer as required in subsection
33 (b)(2).

34 (f) As an insurer's designee, a limited lines insurance producer
35 is responsible for the acts of a travel retailer and shall use
36 reasonable means to ensure compliance of the travel retailer with
37 this section.

38 (g) Any person licensed in a major line of authority as an
39 insurance producer is authorized to sell, solicit, and negotiate
40 travel insurance. A property and casualty insurance producer is
41 not required to become appointed by an insurer to sell, solicit, or
42 negotiate travel insurance.



1 SECTION 4. IC 27-4-1-4, AS AMENDED BY P.L.196-2021,
2 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2022]: Sec. 4. (a) The following are hereby defined as unfair
4 methods of competition and unfair and deceptive acts and practices in
5 the business of insurance:

6 (1) Making, issuing, circulating, or causing to be made, issued, or
7 circulated, any estimate, illustration, circular, or statement:

8 (A) misrepresenting the terms of any policy issued or to be
9 issued or the benefits or advantages promised thereby or the
10 dividends or share of the surplus to be received thereon;

11 (B) making any false or misleading statement as to the
12 dividends or share of surplus previously paid on similar
13 policies;

14 (C) making any misleading representation or any
15 misrepresentation as to the financial condition of any insurer,
16 or as to the legal reserve system upon which any life insurer
17 operates;

18 (D) using any name or title of any policy or class of policies
19 misrepresenting the true nature thereof; or

20 (E) making any misrepresentation to any policyholder insured
21 in any company for the purpose of inducing or tending to
22 induce such policyholder to lapse, forfeit, or surrender the
23 policyholder's insurance.

24 (2) Making, publishing, disseminating, circulating, or placing
25 before the public, or causing, directly or indirectly, to be made,
26 published, disseminated, circulated, or placed before the public,
27 in a newspaper, magazine, or other publication, or in the form of
28 a notice, circular, pamphlet, letter, or poster, or over any radio or
29 television station, or in any other way, an advertisement,
30 announcement, or statement containing any assertion,
31 representation, or statement with respect to any person in the
32 conduct of the person's insurance business, which is untrue,
33 deceptive, or misleading.

34 (3) Making, publishing, disseminating, or circulating, directly or
35 indirectly, or aiding, abetting, or encouraging the making,
36 publishing, disseminating, or circulating of any oral or written
37 statement or any pamphlet, circular, article, or literature which is
38 false, or maliciously critical of or derogatory to the financial
39 condition of an insurer, and which is calculated to injure any
40 person engaged in the business of insurance.

41 (4) Entering into any agreement to commit, or individually or by
42 a concerted action committing any act of boycott, coercion, or



1 intimidation resulting or tending to result in unreasonable
2 restraint of, or a monopoly in, the business of insurance.

3 (5) Filing with any supervisory or other public official, or making,
4 publishing, disseminating, circulating, or delivering to any person,
5 or placing before the public, or causing directly or indirectly, to
6 be made, published, disseminated, circulated, delivered to any
7 person, or placed before the public, any false statement of
8 financial condition of an insurer with intent to deceive. Making
9 any false entry in any book, report, or statement of any insurer
10 with intent to deceive any agent or examiner lawfully appointed
11 to examine into its condition or into any of its affairs, or any
12 public official to which such insurer is required by law to report,
13 or which has authority by law to examine into its condition or into
14 any of its affairs, or, with like intent, willfully omitting to make a
15 true entry of any material fact pertaining to the business of such
16 insurer in any book, report, or statement of such insurer.

17 (6) Issuing or delivering or permitting agents, officers, or
18 employees to issue or deliver, agency company stock or other
19 capital stock, or benefit certificates or shares in any common law
20 corporation, or securities or any special or advisory board
21 contracts or other contracts of any kind promising returns and
22 profits as an inducement to insurance.

23 (7) Making or permitting any of the following:

24 (A) Unfair discrimination between individuals of the same
25 class and equal expectation of life in the rates or assessments
26 charged for any contract of life insurance or of life annuity or
27 in the dividends or other benefits payable thereon, or in any
28 other of the terms and conditions of such contract. However,
29 in determining the class, consideration may be given to the
30 nature of the risk, plan of insurance, the actual or expected
31 expense of conducting the business, or any other relevant
32 factor.

33 (B) Unfair discrimination between individuals of the same
34 class involving essentially the same hazards in the amount of
35 premium, policy fees, assessments, or rates charged or made
36 for any policy or contract of accident or health insurance or in
37 the benefits payable thereunder, or in any of the terms or
38 conditions of such contract, or in any other manner whatever.
39 However, in determining the class, consideration may be given
40 to the nature of the risk, the plan of insurance, the actual or
41 expected expense of conducting the business, or any other
42 relevant factor.



1 (C) Excessive or inadequate charges for premiums, policy
 2 fees, assessments, or rates, or making or permitting any unfair
 3 discrimination between persons of the same class involving
 4 essentially the same hazards, in the amount of premiums,
 5 policy fees, assessments, or rates charged or made for:
 6 (i) policies or contracts of reinsurance or joint reinsurance,
 7 or abstract and title insurance;
 8 (ii) policies or contracts of insurance against loss or damage
 9 to aircraft, or against liability arising out of the ownership,
 10 maintenance, or use of any aircraft, or of vessels or craft,
 11 their cargoes, marine builders' risks, marine protection and
 12 indemnity, or other risks commonly insured under marine,
 13 as distinguished from inland marine, insurance; or
 14 (iii) policies or contracts of any other kind or kinds of
 15 insurance whatsoever.

16 However, nothing contained in clause (C) shall be construed to
 17 apply to any of the kinds of insurance referred to in clauses (A)
 18 and (B) nor to reinsurance in relation to such kinds of insurance.
 19 Nothing in clause (A), (B), or (C) shall be construed as making or
 20 permitting any excessive, inadequate, or unfairly discriminatory
 21 charge or rate or any charge or rate determined by the department
 22 or commissioner to meet the requirements of any other insurance
 23 rate regulatory law of this state.

24 (8) Except as otherwise expressly provided by IC 27-1-47 or
 25 another law, knowingly permitting or offering to make or making
 26 any contract or policy of insurance of any kind or kinds
 27 whatsoever, including but not in limitation, life annuities, or
 28 agreement as to such contract or policy other than as plainly
 29 expressed in such contract or policy issued thereon, or paying or
 30 allowing, or giving or offering to pay, allow, or give, directly or
 31 indirectly, as inducement to such insurance, or annuity, any rebate
 32 of premiums payable on the contract, or any special favor or
 33 advantage in the dividends, savings, or other benefits thereon, or
 34 any valuable consideration or inducement whatever not specified
 35 in the contract or policy; or giving, or selling, or purchasing or
 36 offering to give, sell, or purchase as inducement to such insurance
 37 or annuity or in connection therewith, any stocks, bonds, or other
 38 securities of any insurance company or other corporation,
 39 association, limited liability company, or partnership, or any
 40 dividends, savings, or profits accrued thereon, or anything of
 41 value whatsoever not specified in the contract. Nothing in this
 42 subdivision and subdivision (7) shall be construed as including



1 within the definition of discrimination or rebates any of the
2 following practices:

3 (A) Paying bonuses to policyholders or otherwise abating their
4 premiums in whole or in part out of surplus accumulated from
5 nonparticipating insurance, so long as any such bonuses or
6 abatement of premiums are fair and equitable to policyholders
7 and for the best interests of the company and its policyholders.

8 (B) In the case of life insurance policies issued on the
9 industrial debit plan, making allowance to policyholders who
10 have continuously for a specified period made premium
11 payments directly to an office of the insurer in an amount
12 which fairly represents the saving in collection expense.

13 (C) Readjustment of the rate of premium for a group insurance
14 policy based on the loss or expense experience thereunder, at
15 the end of the first year or of any subsequent year of insurance
16 thereunder, which may be made retroactive only for such
17 policy year.

18 (D) Paying by an insurer or insurance producer thereof duly
19 licensed as such under the laws of this state of money,
20 commission, or brokerage, or giving or allowing by an insurer
21 or such licensed insurance producer thereof anything of value,
22 for or on account of the solicitation or negotiation of policies
23 or other contracts of any kind or kinds, to a broker, an
24 insurance producer, or a solicitor duly licensed under the laws
25 of this state, but such broker, insurance producer, or solicitor
26 receiving such consideration shall not pay, give, or allow
27 credit for such consideration as received in whole or in part,
28 directly or indirectly, to the insured by way of rebate.

29 (9) Requiring, as a condition precedent to loaning money upon the
30 security of a mortgage upon real property, that the owner of the
31 property to whom the money is to be loaned negotiate any policy
32 of insurance covering such real property through a particular
33 insurance producer or broker or brokers. However, this
34 subdivision shall not prevent the exercise by any lender of the
35 lender's right to approve or disapprove of the insurance company
36 selected by the borrower to underwrite the insurance.

37 (10) Entering into any contract, combination in the form of a trust
38 or otherwise, or conspiracy in restraint of commerce in the
39 business of insurance.

40 (11) Monopolizing or attempting to monopolize or combining or
41 conspiring with any other person or persons to monopolize any
42 part of commerce in the business of insurance. However,



1 participation as a member, director, or officer in the activities of
 2 any nonprofit organization of insurance producers or other
 3 workers in the insurance business shall not be interpreted, in
 4 itself, to constitute a combination in restraint of trade or as
 5 combining to create a monopoly as provided in this subdivision
 6 and subdivision (10). The enumeration in this chapter of specific
 7 unfair methods of competition and unfair or deceptive acts and
 8 practices in the business of insurance is not exclusive or
 9 restrictive or intended to limit the powers of the commissioner or
 10 department or of any court of review under section 8 of this
 11 chapter.

12 (12) Requiring as a condition precedent to the sale of real or
 13 personal property under any contract of sale, conditional sales
 14 contract, or other similar instrument or upon the security of a
 15 chattel mortgage, that the buyer of such property negotiate any
 16 policy of insurance covering such property through a particular
 17 insurance company, insurance producer, or broker or brokers.
 18 However, this subdivision shall not prevent the exercise by any
 19 seller of such property or the one making a loan thereon of the
 20 right to approve or disapprove of the insurance company selected
 21 by the buyer to underwrite the insurance.

22 (13) Issuing, offering, or participating in a plan to issue or offer,
 23 any policy or certificate of insurance of any kind or character as
 24 an inducement to the purchase of any property, real, personal, or
 25 mixed, or services of any kind, where a charge to the insured is
 26 not made for and on account of such policy or certificate of
 27 insurance. However, this subdivision shall not apply to any of the
 28 following:

29 (A) Insurance issued to credit unions or members of credit
 30 unions in connection with the purchase of shares in such credit
 31 unions.

32 (B) Insurance employed as a means of guaranteeing the
 33 performance of goods and designed to benefit the purchasers
 34 or users of such goods.

35 (C) Title insurance.

36 (D) Insurance written in connection with an indebtedness and
 37 intended as a means of repaying such indebtedness in the
 38 event of the death or disability of the insured.

39 (E) Insurance provided by or through motorists service clubs
 40 or associations.

41 (F) Insurance that is provided to the purchaser or holder of an
 42 air transportation ticket and that:



- 1 (i) insures against death or nonfatal injury that occurs during
 2 the flight to which the ticket relates;
 3 (ii) insures against personal injury or property damage that
 4 occurs during travel to or from the airport in a common
 5 carrier immediately before or after the flight;
 6 (iii) insures against baggage loss during the flight to which
 7 the ticket relates; or
 8 (iv) insures against a flight cancellation to which the ticket
 9 relates.
- 10 (14) Refusing, because of the for-profit status of a hospital or
 11 medical facility, to make payments otherwise required to be made
 12 under a contract or policy of insurance for charges incurred by an
 13 insured in such a for-profit hospital or other for-profit medical
 14 facility licensed by the state department of health.
- 15 (15) Refusing to insure an individual, refusing to continue to issue
 16 insurance to an individual, limiting the amount, extent, or kind of
 17 coverage available to an individual, or charging an individual a
 18 different rate for the same coverage, solely because of that
 19 individual's blindness or partial blindness, except where the
 20 refusal, limitation, or rate differential is based on sound actuarial
 21 principles or is related to actual or reasonably anticipated
 22 experience.
- 23 (16) Committing or performing, with such frequency as to
 24 indicate a general practice, unfair claim settlement practices (as
 25 defined in section 4.5 of this chapter).
- 26 (17) Between policy renewal dates, unilaterally canceling an
 27 individual's coverage under an individual or group health
 28 insurance policy solely because of the individual's medical or
 29 physical condition.
- 30 (18) Using a policy form or rider that would permit a cancellation
 31 of coverage as described in subdivision (17).
- 32 (19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1
 33 concerning motor vehicle insurance rates.
- 34 (20) Violating IC 27-8-21-2 concerning advertisements referring
 35 to interest rate guarantees.
- 36 (21) Violating IC 27-8-24.3 concerning insurance and health plan
 37 coverage for victims of abuse.
- 38 (22) Violating IC 27-8-26 concerning genetic screening or testing.
- 39 (23) Violating IC 27-1-15.6-3(b) concerning licensure of
 40 insurance producers.
- 41 (24) Violating IC 27-1-38 concerning depository institutions.
- 42 (25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning



- 1 the resolution of an appealed grievance decision.
- 2 (26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired
- 3 July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1,
- 4 2007, and repealed).
- 5 (27) Violating IC 27-2-21 concerning use of credit information.
- 6 (28) Violating IC 27-4-9-3 concerning recommendations to
- 7 consumers.
- 8 (29) Engaging in dishonest or predatory insurance practices in
- 9 marketing or sales of insurance to members of the United States
- 10 Armed Forces as:
- 11 (A) described in the federal Military Personnel Financial
- 12 Services Protection Act, P.L.109-290; or
- 13 (B) defined in rules adopted under subsection (b).
- 14 (30) Violating IC 27-8-19.8-20.1 concerning stranger originated
- 15 life insurance.
- 16 (31) Violating IC 27-2-22 concerning retained asset accounts.
- 17 (32) Violating IC 27-8-5-29 concerning health plans offered
- 18 through a health benefit exchange (as defined in IC 27-19-2-8).
- 19 (33) Violating a requirement of the federal Patient Protection and
- 20 Affordable Care Act (P.L. 111-148), as amended by the federal
- 21 Health Care and Education Reconciliation Act of 2010 (P.L.
- 22 111-152), that is enforceable by the state.
- 23 (34) After June 30, 2015, violating IC 27-2-23 concerning
- 24 unclaimed life insurance, annuity, or retained asset account
- 25 benefits.
- 26 (35) Willfully violating IC 27-1-12-46 concerning a life insurance
- 27 policy or certificate described in IC 27-1-12-46(a).
- 28 (36) Violating IC 27-1-37-7 concerning prohibiting the disclosure
- 29 of health care service claims data.
- 30 (37) Violating IC 27-4-10-10 concerning virtual claims payments.
- 31 (38) Violating IC 27-1-24.5 concerning pharmacy benefit
- 32 managers.
- 33 **(39) Violating IC 27-7-17-16 or IC 27-7-17-17 concerning the**
- 34 **marketing of travel insurance policies.**
- 35 (b) Except with respect to federal insurance programs under
- 36 Subchapter III of Chapter 19 of Title 38 of the United States Code, the
- 37 commissioner may, consistent with the federal Military Personnel
- 38 Financial Services Protection Act (10 U.S.C. 992 note), adopt rules
- 39 under IC 4-22-2 to:
- 40 (1) define; and
- 41 (2) while the members are on a United States military installation
- 42 or elsewhere in Indiana, protect members of the United States



1 Armed Forces from;
2 dishonest or predatory insurance practices.

3 SECTION 5. IC 27-7-17 IS ADDED TO THE INDIANA CODE AS
4 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2022]:

6 **Chapter 17. Travel Insurance**

7 **Sec. 1. This chapter applies to travel insurance:**

- 8 (1) that covers any resident of this state and is sold, solicited,
9 negotiated, or offered in this state; and
10 (2) for which policies and certificates are delivered or issued
11 for delivery in this state.

12 Unless expressly provided in this chapter, this chapter does not
13 apply to cancellation fee waivers or travel assistance services.

14 **Sec. 2. (a) The definitions in IC 27-1-15.6-2 apply throughout
15 this chapter.**

16 (b) All other applicable provisions of this title continue to apply
17 to travel insurance, except that specific provisions of this chapter
18 supersede any general provisions of law that would otherwise be
19 applicable to travel insurance.

20 **Sec. 3. As used in this chapter, "aggregator site" means an
21 Internet web site that provides access to information regarding
22 insurance products from more than one (1) insurer, including
23 product and insurer information, for use in comparison shopping.**

24 **Sec. 4. As used in this chapter, "blanket travel insurance"
25 means a policy of travel insurance issued to any eligible group
26 providing coverage for specific classes of persons defined in the
27 policy with coverage provided to all members of the eligible group
28 without a separate charge to individual members of the eligible
29 group.**

30 **Sec. 5. As used in this chapter, "cancellation fee waiver" means
31 a contractual agreement between a supplier of travel services and
32 its customer to waive some or all of the nonrefundable cancellation
33 fee provisions of the supplier's underlying travel contract with or
34 without regard to the reason for the cancellation or form of
35 reimbursement. A cancellation fee waiver is not insurance.**

36 **Sec. 6. As used in this chapter, "commissioner" means the
37 insurance commissioner appointed under IC 27-1-1-2.**

38 **Sec. 7. As used in this chapter, "eligible group" means two (2)
39 or more persons who are engaged in a common enterprise, or have
40 an economic, educational, or social affinity or relationship,
41 including the following:**

- 42 (1) An entity engaged in the business of providing travel or



- 1 travel services, including tour operators, lodging providers,
 2 vacation property owners, hotels and resorts, travel clubs,
 3 travel agencies, property managers, cultural exchange
 4 programs, and common carriers or the operator, owner, or
 5 lessor of a means of transportation of passengers, including
 6 airlines, cruise lines, railroads, steamship companies, and
 7 public bus carriers, wherein with regard to any particular
 8 travel or type of travel or travelers, all members or customers
 9 of the group must have a common exposure to risk attendant
 10 in such travel.
- 11 (2) A college, school, or other institution of learning, covering
 12 students, teachers, employees, or volunteers.
- 13 (3) An employer covering any group of employees, volunteers,
 14 contractors, board of directors, dependents, or guests.
- 15 (4) A sports team, camp, or sponsor thereof, covering
 16 participants, members, campers, employees, officials,
 17 supervisors, or volunteers.
- 18 (5) A religious, charitable, recreational, educational, or civic
 19 organization, or branch thereof, covering any group of
 20 members, participants, or volunteers.
- 21 (6) A financial institution or financial institution vendor, or
 22 parent holding company, trustee, or agent of or designated by
 23 one (1) or more financial institutions or financial institution
 24 vendors, including account holders, credit card holders,
 25 debtors, guarantors, or purchasers.
- 26 (7) Any incorporated or unincorporated association, including
 27 labor unions, having a common interest, constitution, and
 28 bylaws and organized and maintained in good faith for
 29 purposes other than obtaining insurance for members or
 30 participants of such association covering its members.
- 31 (8) A trust or the trustees of a fund established, created, or
 32 maintained for the benefit of and covering members,
 33 employees, or customers, subject to the commissioner's
 34 permitting the use of a trust and the state's premium tax
 35 provisions in section 14 of this chapter of one (1) or more
 36 associations meeting the requirements of subdivision (7).
- 37 (9) An entertainment production company covering any
 38 group of participants, volunteers, audience members,
 39 contestants, or workers.
- 40 (10) A volunteer fire department, ambulance, rescue, police,
 41 court, or any first aid, civil defense, or other such volunteer
 42 group.



- 1 **(11) A preschool, daycare institution for children or adults, or**
- 2 **senior citizen club.**
- 3 **(12) An automobile or truck rental or leasing company**
- 4 **covering a group of individuals who may become renters,**
- 5 **lessees, or passengers defined by their travel status on the**
- 6 **rented or leased vehicles. The common carrier, operator,**
- 7 **owner, or lessor of a means of transportation or the**
- 8 **automobile or truck rental or leasing company is the**
- 9 **policyholder under a policy to which this chapter applies.**
- 10 **(13) Any other group for which the commissioner has**
- 11 **determined that the members are engaged in a common**
- 12 **enterprise or have an economic, educational, or social affinity**
- 13 **or relationship, and that issuance of a policy would not be**
- 14 **contrary to the public interest.**
- 15 **Sec. 8. As used in this chapter, "fulfillment materials" means**
- 16 **documentation sent to the purchaser of a travel protection plan**
- 17 **confirming the purchase and providing the travel protection plan's**
- 18 **coverage and assistance details.**
- 19 **Sec. 9. As used in this chapter, "group travel insurance" means**
- 20 **travel insurance issued to any eligible group.**
- 21 **Sec. 10. As used in this chapter, "primary certificate holder"**
- 22 **means a person who elects and purchases travel insurance under**
- 23 **a group policy.**
- 24 **Sec. 11. As used in this chapter, "primary policyholder" means**
- 25 **an individual who elects and purchases individual travel insurance.**
- 26 **Sec. 12. As used in this chapter, "travel assistance service"**
- 27 **means a noninsurance service for which the purchaser is not**
- 28 **indemnified based on a fortuitous event and where providing the**
- 29 **service does not result in a transfer or shifting of risk that would**
- 30 **constitute the business of insurance. Travel assistance services**
- 31 **include security advisories, destination information, vaccination**
- 32 **and immunization information services, travel reservation services,**
- 33 **entertainment, activity and event planning, translation assistance,**
- 34 **emergency messaging, international legal and medical referrals,**
- 35 **medical case monitoring, coordination of transportation**
- 36 **arrangements, emergency cash transfer assistance, medical**
- 37 **prescription replacement assistance, passport and travel document**
- 38 **replacement assistance, lost luggage assistance, concierge services,**
- 39 **and any other service that is furnished in connection with planned**
- 40 **travel. Travel assistance services are not insurance and are not**
- 41 **related to insurance.**
- 42 **Sec. 13. As used in this chapter, "travel protection plan" means**



1 a plan that provides one (1) or more of the following:

- 2 (1) Travel insurance.
 3 (2) Travel assistance services.
 4 (3) Cancellation fee waivers.

5 Sec. 14. (a) A travel insurer shall pay premium tax, as provided
 6 in IC 27-1-18-2, on travel insurance premiums paid by:

- 7 (1) an individual primary policyholder who is a resident of
 8 this state;
 9 (2) a primary certificate holder who is a resident of this state
 10 and elects coverage under a group travel insurance policy;
 11 and
 12 (3) a blanket travel insurance policyholder that is a resident
 13 of this state or has its principal place of business or the
 14 principal place of business of an affiliate or subsidiary that
 15 has purchased blanket travel insurance for an eligible group
 16 in this state, subject to any apportionment rules which apply
 17 to the insurer across multiple taxing jurisdictions or that
 18 permit the insurer to allocate premium on an apportioned
 19 basis in a reasonable and equitable manner in those
 20 jurisdictions.

21 (b) A travel insurer shall:

- 22 (1) document the state of residence or principal place of
 23 business of a policyholder or certificate holder, as provided in
 24 subsection (a); and
 25 (2) report as premium only the amount allocable to travel
 26 insurance and not any amounts received for travel assistance
 27 services or cancellation fee waivers.

28 Sec. 15. A travel protection plan that offers combined features
 29 may be offered for one (1) price in this state if:

- 30 (1) the travel protection plan clearly discloses to the
 31 consumer, at or prior to the time of purchase, that the plan
 32 includes travel insurance, travel assistance services, and
 33 cancellation fee waivers, as applicable, and provides
 34 information and an opportunity, at or prior to the time of
 35 purchase, for the consumer to obtain additional information
 36 regarding the features and pricing of each; and
 37 (2) the fulfillment materials:
 38 (A) describe and delineate the travel insurance, travel
 39 assistance services, and cancellation fee waivers in the
 40 travel protection plan; and
 41 (B) include the travel insurance disclosures and the contact
 42 information for the persons providing travel assistance



1 services and cancellation fee waivers, as applicable.

2 **Sec. 16. (a) Except as otherwise provided in this section, a**
 3 **person offering travel insurance to residents of this state is subject**
 4 **to IC 27-4-1. In the event of a conflict between this chapter and**
 5 **other provisions of this title regarding the sale and marketing of**
 6 **travel insurance and travel protection plans, the provisions of this**
 7 **chapter govern.**

8 **(b) A person offering or selling a travel insurance policy that**
 9 **could never result in payment of any claims for any insured under**
 10 **the policy commits an unfair trade practice under IC 27-4-1.**

11 **Sec. 17. (a) All documents provided to consumers prior to the**
 12 **purchase of travel insurance, including sales materials, advertising**
 13 **materials, and marketing materials must be consistent with the**
 14 **travel insurance policy itself, including forms, endorsements,**
 15 **policies, rate filings, and certificates of insurance.**

16 **(b) For a travel insurance policy or certificate that contains**
 17 **preexisting condition exclusions, information and an opportunity**
 18 **to learn more about the preexisting condition exclusions must be**
 19 **provided prior to the time of purchase and in the coverage's**
 20 **fulfillment materials.**

21 **(c) The fulfillment materials and the information required to be**
 22 **provided under IC 27-1-15.6-19.9(b)(1) must be provided to a**
 23 **policyholder or certificate holder as soon as practicable following**
 24 **the purchase of a travel protection plan. Unless the insured has**
 25 **started a covered trip or filed a claim under the travel insurance**
 26 **coverage, a policyholder or certificate holder may cancel a policy**
 27 **or certificate for a full refund of the price of a travel protection**
 28 **plan from the date of purchase until:**

29 **(1) fifteen (15) days following the date of delivery of the travel**
 30 **protection plan's fulfillment materials by mail; or**

31 **(2) ten (10) days following the date of delivery of the travel**
 32 **protection plan's fulfillment materials by means other than**
 33 **mail.**

34 **For purposes of this section, "delivery" means handing fulfillment**
 35 **materials to the policyholder or certificate holder or sending**
 36 **fulfillment materials by mail, electronic mail, or other electronic**
 37 **means to the policyholder or certificate holder.**

38 **(d) The company must disclose in the policy documentation and**
 39 **fulfillment materials whether the travel insurance is primary or**
 40 **secondary to other applicable coverage.**

41 **(e) When travel insurance is marketed directly to a consumer**
 42 **through an insurer's Internet web site or by others through an**



1 aggregator site, it is not an unfair trade practice or other violation
 2 of law if an accurate summary or short description of coverage is
 3 provided on the web site, so long as the consumer has access to the
 4 full provisions of the policy through electronic means.

5 (f) No person offering, soliciting, or negotiating travel insurance
 6 or travel protection plans on an individual or group basis may do
 7 so by using negative option or opt out, which would require a
 8 consumer to take an affirmative action to deselect coverage, such
 9 as unchecking a box on an electronic form, when the consumer
 10 purchases a trip or travel package.

11 (g) It is an unfair trade practice under IC 27-1-4 to market
 12 blanket travel insurance coverage as free.

13 (h) Where a consumer's destination jurisdiction requires
 14 insurance coverage, it is not an unfair trade practice under
 15 IC 27-1-4 to require a consumer to choose as a condition of
 16 purchasing a trip or travel package between:

- 17 (1) purchasing the coverage required by the destination
 18 jurisdiction through the travel retailer or limited lines travel
 19 insurance producer supplying the trip or travel package; or
- 20 (2) agreeing to obtain and provide proof of coverage that
 21 meets the destination jurisdiction's requirements prior to
 22 departure.

23 Sec. 18. (a) Notwithstanding any other provision of this title, a
 24 person may not act or represent itself as a travel administrator for
 25 travel insurance in this state unless the person:

- 26 (1) is a licensed property and casualty insurance producer in
 27 this state for activities permitted under that producer license;
- 28 (2) holds a valid managing general agent license in this state;
- 29 or
- 30 (3) holds a valid third party administrator license in this state.

31 (b) A travel administrator and its employees are exempt from
 32 the licensing requirements of IC 27-1-28 for travel insurance it
 33 administers.

34 (c) An insurer is responsible for the acts of a travel
 35 administrator administering travel insurance underwritten by the
 36 insurer and is responsible for ensuring the travel administrator
 37 maintains all books and records relevant to the insurer to be made
 38 available by the travel administrator to the commissioner upon
 39 request.

40 Sec. 19. (a) Notwithstanding any other provision of this title,
 41 travel insurance is classified and filed for purposes of rates and
 42 forms under an inland marine line of insurance. However, travel



1 insurance that provides coverage for sickness, accident, disability,
2 or death occurring during travel, either exclusively or in
3 conjunction with related coverages of emergency evacuation or
4 repatriation of remains or incidental limited property and casualty
5 benefits such as baggage or trip cancellation, may be filed under
6 either an accident and health line of insurance or an inland marine
7 line of insurance.

8 (b) Travel insurance may be in the form of an individual, group,
9 or blanket policy.

10 (c) Eligibility and underwriting standards for travel insurance
11 may be developed and provided based on travel protection plans
12 designed for individual or identified marketing or distribution
13 channels, provided those standards also meet the state's
14 underwriting standards for an inland marine line of insurance.

15 Sec. 20. The commissioner may adopt rules under IC 4-22-2 to
16 implement this chapter.



COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 277, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 277 as introduced.)

ZAY, Chairperson

Committee Vote: Yeas 8, Nays 0

COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions and Insurance, to which was referred Senate Bill 277, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to SB 277 as printed January 21, 2022.)

CARBAUGH

Committee Vote: Yeas 13, Nays 0

