

HOUSE No. 961

The Commonwealth of Massachusetts

PRESENTED BY:

Joseph F. Wagner

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to travel insurance.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Joseph F. Wagner</i>	<i>8th Hampden</i>
<i>Eileen M. Donoghue</i>	<i>First Middlesex</i>
<i>James T. Welch</i>	<i>Hampden</i>

HOUSE No. 961

By Mr. Wagner of Chicopee, a petition (accompanied by bill, House, No. 961) of Joseph F. Wagner, Eileen M. Donoghue and James T. Welch relative to travel insurance. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act relative to travel insurance.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 162M of chapter 175 of the General Laws, as appearing in the 2012
2 Official Edition, is hereby amended by inserting after subsection (7) the following subsection:-
3 (7 1/2) Travel, limited line travel insurance, as that term is defined in section 162Z of
4 chapter 175 of the General Laws.

5 SECTION 2. Said chapter 175 is hereby further amended by adding the following
6 section:-

7 Section 162Z. (a) As used in this section, the following words shall have the following
8 meanings unless the context clearly requires otherwise:-

9 (1) “Designated Responsible Producer” or “DRP”, a person responsible for the limited
10 lines travel insurance producer’s compliance with the travel insurance laws, rules and regulations
11 of the state.

12 (2) “Limited lines travel insurance producer”, a: (i) licensed managing general
13 underwriter; (ii) licensed managing general agent or third party administrator; or (iii) licensed
14 insurance producer, including a limited lines producer, designated by an insurer as the travel
15 insurance supervising entity as set forth in subsection (g).

16 (3) “Offer and disseminate”, to provide general information, including a description of
17 the coverage and price, as well as processing the application, collecting premiums, and
18 performing other non-licensable activities permitted by the state.

19 (4) “Travel insurance”, insurance coverage for personal risks incident to planned travel,
20 including but not limited to: (i) interruption or cancellation of trip or event; (ii) loss of baggage
21 or personal effects; (iii) damages to accommodations or rental vehicles; or (iv) sickness,
22 accident, disability or death occurring during travel. Travel insurance does not include major
23 medical plans, which provide comprehensive medical protection for travelers with trips lasting 6
24 months or longer, including for example, those working overseas as an expatriate or military
25 personnel being deployed.

26 (5) “Travel retailer”, a business entity that makes, arranges or offers travel services and
27 may offer and disseminate travel insurance as a service to its customers on behalf of and under
28 the direction of a limited lines travel insurance producer.

29 (b) Notwithstanding any general or special law to the contrary:

30 (1) The commissioner may issue to an individual or business entity that has filed with the
31 commissioner an application for such limited license in a form and manner prescribed by the
32 commissioner, a limited lines travel insurance producer license, which authorizes the limited

33 lines travel insurance producer to sell, solicit or negotiate travel insurance through a licensed
34 insurer.

35 (2) A travel retailer may offer and disseminate travel insurance under a limited lines
36 travel insurance producer business entity license if the following conditions are met:

37 (i) The limited lines travel insurance producer or travel retailer provides to purchasers of
38 travel insurance:

39 (a) A description of the material terms or the actual material terms of the insurance
40 coverage;

41 (b) A description of the process for filing a claim;

42 (c) A description of the review or cancellation process for the travel insurance policy; and

43 (d) The identity and contact information of the insurer and limited lines travel insurance
44 producer.

45 (ii) At the time of licensure, the limited lines travel insurance producer shall establish and
46 maintain a register on a form prescribed by the commissioner of each travel retailer that offers
47 travel insurance on the limited lines travel insurance producer's behalf. The register shall be
48 maintained and updated annually by the limited lines travel insurance producer and shall include
49 the name, address, and contact information of the travel retailer and an officer or person who
50 directs or controls the travel retailer's operations, and the travel retailer's federal tax
51 identification number. The limited lines travel insurance producer shall submit such register to
52 the division of insurance upon reasonable request. The limited lines travel insurance producer
53 shall also certify that the travel retailer registered complies with 18 U.S.C. section 1033.

54 (iii) The limited lines travel insurance producer has designated one of its employees who
55 is a licensed individual producer as the DRP.

56 (iv) The DRP, president, secretary, treasurer, and any other officer or person who directs
57 or controls the limited lines travel insurance producer's insurance operations shall comply with
58 the fingerprinting requirements applicable to insurance producers in the resident state of the
59 limited lines travel insurance producer.

60 (v) The limited lines travel insurance producer has paid all applicable insurance producer
61 licensing fees as set forth in applicable state law.

62 (vi) The limited lines travel insurance producer requires each employee and authorized
63 representative of the travel retailer, whose duties include offering and disseminating travel
64 insurance, to receive a program of instruction or training, which may be subject to review by the
65 commissioner. The training material shall, at a minimum, contain instructions on the types of
66 insurance offered, ethical sales practices, and required disclosures to prospective customers.

67 (vii) Limited lines travel insurance producers, and those registered under its license, are
68 exempt from the examination requirements under section 162K of chapter 175 of the General
69 Laws and the continuing education requirements under section 177E of chapter 175 of the
70 General Laws.

71 (c) Any travel retailer offering or disseminating travel insurance shall make available to
72 prospective purchasers, brochures or other written materials that:

73 (1) Provide the identity and contact information of the insurer and the limited lines travel
74 insurance producer;

75 (2) Explain that the purchase of travel insurance is not required in order to purchase any
76 other product or service from the travel retailer; and

77 (3) Explain that an unlicensed travel retailer is permitted to provide general information
78 about the insurance offered by the travel retailer, including a description of the coverage and
79 price, but is not qualified or authorized to answer technical questions about the terms and
80 conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the
81 customer's existing insurance coverage.

82 (d) A travel retailer's employee or authorized representative who is not licensed as an
83 insurance producer may not:

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

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

88 (3) Hold himself out as a licensed insurer, licensed producer, or insurance expert.

89 (e) Notwithstanding any general or special law to the contrary, a travel retailer whose
90 insurance-related activities, and those of its employees and authorized representatives, are
91 limited to offering and disseminating travel insurance on behalf of and under the direction of a
92 limited lines travel insurance producer meeting the conditions stated in this section, is authorized
93 to do so and receive related compensation, upon registration by the limited lines travel insurance
94 producer as described in subsection (b)(1) and (2).

95 (f) Travel insurance may be provided under an individual policy or under a group or
96 master policy.

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

100 (h) The limited lines travel insurance producer and any travel retailer offering and
101 disseminating travel insurance under the limited lines travel insurance producer license shall be
102 subject to the: (i) laws regarding unfair methods of competition and unfair and deceptive acts and
103 practices in the business of insurance; and (ii) the enforcement provisions applicable to insurance
104 producers.