

SENATE BILL 905

By Tracy

AN ACT to amend Tennessee Code Annotated, Title 56,
Chapter 6, relative to the travel insurance

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

SECTION 1. Tennessee Code Annotated, Section 56-6-110, is amended by adding the following language as a new subdivision:

() Travel insurance;

SECTION 2. Tennessee Code Annotated, Section 56-6-121, is amended by deleting the section and substituting instead the following:

In addition to any other fees that may be required elsewhere in this title, the following are the nonrefundable fees that will be paid to the commissioner under this part:

(1) Except as provided in subdivision (5), fifty dollars (\$50.00) for the filing of an application for insurance producer license or limited lines producer license;

(2) Sixty dollars (\$60.00) for the renewal of an insurance producer license;

(3) Thirty dollars (\$30.00) for the renewal of a limited lines producer license;

(4) Fifteen dollars (\$15.00) for the appointment or termination of appointment of an insurance producer or limited lines producer by an insurer; and

(5) Five hundred dollars (\$500) for the filing of an application for limited lines travel insurance producer business entity license as a travel insurance supervising entity pursuant to the Travel Insurance Producer Limited License Act, compiled in part 14 of this chapter.

SECTION 3. Tennessee Code Annotated, Title 56, Chapter 6, is amended by adding the following language as a new part:

56-6-1401. This part shall be known and may be cited as the “Travel Insurance Producer Limited License Act.”

56-6-1402. As used in this part:

- (1) “Commissioner” means the commissioner of commerce and insurance;
- (2) “Designated responsible producer” or “DRP” means a person designated by a travel insurance supervising entity pursuant to § 56-6-1403(a)(2)(C);
- (3) “Insurer” has the same meaning as defined in § 56-6-102;
- (4) “Limited lines travel insurance producer” means an individual or business entity that has met the requirements of § 56-6-110 and may also be approved as a travel insurance supervising entity;
- (5) “Offer and disseminate” means providing general information, including a description of the coverage and price, as well as processing the application, collecting premiums, and performing other lawful nonlicensable activities;
- (6) “Travel insurance”:
 - (A) Means insurance coverage for personal risks incident to planned travel, including, but not limited to:
 - (i) Interruption or cancellation of trip or event;
 - (ii) Loss of baggage or personal effects;
 - (iii) Damages to accommodations or rental vehicles; or
 - (iv) Sickness, accident, disability, or death occurring during travel;and
 - (B) Does not include major medical plans that provide comprehensive medical protection for travelers with trips lasting six (6) months or longer, including those working overseas as expatriates or deployed military personnel;
- (7) “Travel insurance supervising entity” means an individual or business entity that receives a license pursuant to § 56-6-1403(a)(2) and is a:

(A) Licensed managing general agent, as defined in § 56-6-502, or third party administrator, as defined in § 56-8-102; or

(B) Licensed insurance producer, including a limited lines producer; and

(8) "Travel retailer" means a business entity that makes, arranges, or offers travel services and may offer and disseminate travel insurance as a service to its customers on behalf of and under the direction of a travel insurance supervising entity.

56-6-1403.

(a) Notwithstanding any other law to the contrary:

(1) The commissioner may issue to an individual or business entity that has filed with the commissioner an application in a form and manner prescribed by the commissioner, a limited lines travel insurance producer license, which authorizes the limited lines travel insurance producer to sell, solicit, or negotiate travel insurance through a licensed insurer;

(2) The commissioner may issue a travel insurance supervising entity license to an individual or business entity that has filed with the commissioner an application in a form and manner prescribed by the commissioner, which authorizes the travel insurance supervising entity to sell, solicit, or negotiate travel insurance through a travel retailer only if the following conditions are met:

(A) The travel insurance supervising entity or travel retailer provides to purchasers of travel insurance:

(i) A description of the material terms or the actual material terms of the insurance coverage;

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

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

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

(B) At the time of licensure, the travel insurance supervising entity establishes and maintains a register, in a form prescribed by the commissioner, of each travel retailer that offers travel insurance on the travel insurance supervising entity's behalf. The register shall be maintained and updated annually by the travel insurance supervising entity and shall 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 tax identification number. The travel insurance supervising entity shall submit the register to the department of commerce and insurance upon reasonable request. The travel insurance supervising entity shall also certify that the travel retailer register complies with 18 U.S.C. § 1033;

(C) The travel insurance supervising entity has designated one (1) of its employees who is a licensed individual producer as the designated responsible producer (DRP) responsible for the travel insurance supervising entity's compliance with the travel insurance laws and rules of this state;

(D) The commissioner finds that the DRP, president, secretary, treasurer, and any other officer or person who directs or controls the travel insurance supervising entity's insurance operations have not committed any act that is a ground for denial, suspension, or revocation set forth in § 56-6-112;

(E) The travel insurance supervising entity has paid all applicable insurance producer licensing fees as set forth § 56-6-121; and

(F) The travel insurance supervising entity requires each employee and authorized representative of the travel retailer whose duties include offering and disseminating travel insurance to receive a program of instruction or training, which may be subject to review by the commissioner. The training material shall, at a minimum, contain instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers; and

(3) Travel insurance supervising entities, and those registered under their licenses, are exempt from examination, prelicensing, and continuing education requirements under this part.

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

(1) Provide the identity and contact information of the insurer and the travel insurance supervising entity;

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

(3) Explain that an unlicensed travel retailer is permitted to provide general information about the insurance offered by the travel retailer, 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.

(c) A travel retailer's employees or authorized representatives who are not licensed as insurance producers may not:

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

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

(3) Hold themselves out as licensed insurers, licensed producers, or insurance experts.

56-6-1404. Notwithstanding any other law, a travel retailer whose insurance-related activities, and those of its employees and authorized representatives, are limited to offering and disseminating travel insurance on behalf of and under the direction of a travel insurance supervising entity meeting the conditions stated in this part, is authorized to do so and receive related compensation for such services, upon registration by the travel insurance supervising entity pursuant to § 56-6-1403(a)(2)(B).

56-6-1405. Travel insurance may be provided under an individual policy or under a group or master policy.

56-6-1406. As the insurer designee, the travel insurance supervising entity is responsible for the acts of the travel retailer and shall use reasonable means to ensure compliance by the travel retailer with this part.

56-6-1407.

(a) The commissioner may take any action or combination of actions authorized pursuant to § 56-2-305 or § 56-6-112 against any limited lines travel insurance producer, travel insurance supervising entity, or any travel retailer licensed or approved pursuant to this part.

(b) If the commissioner determines that a travel retailer or a travel retailer's employee has violated this part or any other provision of this title, the commissioner may:

(1) Direct the travel insurance supervising entity to implement a corrective action plan with the travel retailer; or

(2) Direct the travel insurance supervising entity to revoke the authorization of the travel retailer to transact travel insurance on its behalf and under its license and to remove the travel retailer's name from its register.

(c) If the commissioner determines that a travel retailer or a travel retailer's employee has violated this part or any other provision of this title, the commissioner, after notice and hearing, may take any actions authorized pursuant to § 56-2-305 or § 56-6-112.

SECTION 4. This act shall take effect July 1, 2015, the public welfare requiring it.