

1 State of Arkansas
2 89th General Assembly
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4

As Engrossed: H3/27/13

A Bill

HOUSE BILL 2009

5 By: Representative Copenhaver
6

For An Act To Be Entitled

8 AN ACT TO ESTABLISH A LICENSE FOR A LIMITED LINES
9 TRAVEL INSURANCE PRODUCER; AND FOR OTHER PURPOSES.
10

Subtitle

11 TO ESTABLISH A LICENSE FOR A LIMITED
12 LINES TRAVEL INSURANCE PRODUCER.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 *SECTION 1. Arkansas Code § 23-64-202(c)(3), concerning the general*
20 *license requirements for those in the insurance business, is amended to read*
21 *as follows:*

22 ~~*(3) Transportation ticket agents of common carriers applying for*~~
23 ~~*licenses to solicit and sell only accident insurance ticket policies or*~~
24 ~~*insurance of personal effects while being carried as baggage on the common*~~
25 ~~*carrier, as incidental to their duties as transportation ticket agents*~~
26 *Limited lines travel insurance producers and their travel retailers;*
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28 *SECTION 2. Arkansas Code § 23-64-202, concerning the general license*
29 *requirements for those in the insurance business, is amended to add an*
30 *additional subsection to read as follows:*

31 *(e)(1) As used in this section:*

32 *(A) "Limited lines travel insurance producer" means a*
33 *licensed insurance producer or agent designated as the travel insurance*
34 *supervising entity under subdivision (e)(8) of this section;*

35 *(B) "Offer and disseminate" means to:*

36 *(i) Provide general information, including without*



1 limitation a description of the insurance coverage and the cost of the
2 insurance coverage;

3 (ii) Process an application for insurance coverage;

4 (iii) Collect the premiums for insurance coverage;

5 and

6 (iv) Perform other activities allowed by the
7 insurance laws of this state;

8 (C)(i) "Travel insurance" means insurance coverage for
9 personal risks incident to planned travel, including without limitation:

10 (a) Interruption or cancellation of a trip or
11 event;

12 (b) Loss of baggage or personal effects;

13 (c) Damages to accommodations or rental
14 vehicles; and

15 (d) Sickness, accident, disability, or death
16 occurring during travel.

17 (ii) "Travel insurance" does not include major
18 medical plans that provide comprehensive medical protection for travelers on
19 trips of six (6) months or more, including without limitation working
20 overseas and deployment of military personnel; and

21 (D) "Travel retailer" means a business entity that makes,
22 arranges, and offers travel services and offers travel insurance as a service
23 to its customers on behalf of a limited lines travel insurance producer.

24 (2) The commissioner may issue to a limited lines travel
25 insurance producer in compliance with this section a limited license to offer
26 or sell travel insurance.

27 (3) A travel retailer may offer travel insurance under a limited
28 lines travel insurance producer license if the limited lines travel insurance
29 producer:

30 (A) Provides a purchaser with the material terms of the
31 insurance coverage or a description of the material terms, a description of
32 the process for filing a claim, the review or cancellation process for the
33 travel insurance policy, and the identity of and contact information for the
34 insurer and limited lines travel insurance producer;

35 (B)(i) Establishes and maintains a register on a form
36 prescribed by the commissioner of each travel retailer that offers travel

1 insurance on behalf of the limited lines travel insurance producer.

2 (ii) The register shall include:

3 (a) The identity of and contact information
4 for the travel retailer and its designated contact person; and

5 (b) The federal employer identification number
6 of the travel retailer;

7 (C)(i) Provides a list of each travel retailer that offers
8 travel insurance on its behalf.

9 (ii) The limited lines travel insurance producer
10 shall certify that the travel retailer is in compliance with 18 U.S.C. §
11 1033, as it existed on January 1, 2013;

12 (D) Designates an employee who is a licensed individual
13 producer to be responsible for compliance issues;

14 (E) Pays the applicable insurance producer licensing fees;
15 and

16 (F)(i) Requires each employee of the travel retailer that
17 offers travel insurance to receive instruction or training that may be
18 reviewed by the commissioner.

19 (ii) At a minimum, the training material shall
20 contain instructions on the types of insurance offered, ethical sales
21 practices, and the required disclosures to provide to customers.

22 (4) In a brochure or other written materials, a travel retailer
23 shall make available to customers the following information:

24 (A) The identity of and contact information for the
25 insurer and limited lines travel insurance producer;

26 (B) An explanation that the purchase of travel insurance
27 is not required to purchase any other product or service from the travel
28 retailer; and

29 (C) An explanation that an unlicensed travel retailer may
30 provide general information about the insurance coverage offered by the
31 travel retailer, including a description of the insurance coverage and the
32 cost of the insurance coverage, but shall not answer technical questions
33 about the insurance terms offered by the travel retailer or provide an
34 evaluation of the adequacy of any existing insurance coverage.

35 (5) A travel retailer that is not licensed as an insurance
36 producer shall not:

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

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

5 (C) Hold itself out as a licensed insurer, producer, or
6 insurance expert.

7 (6) A travel retailer and its employees that receive training
8 under subdivision (e)(3)(F) of this section and whose insurance-related
9 activities are limited to offering and disseminating travel insurance on
10 behalf of a limited lines travel insurance producer that is licensed under
11 this subchapter may receive compensation if the limited lines travel
12 insurance producer also is licensed under this section.

13 (7) Travel insurance may be provided under an individual policy,
14 a group policy, or a master policy.

15 (8) As the insurer designee, the limited lines travel insurance
16 producer is responsible for the acts of the travel retailer and shall use
17 reasonable means to ensure compliance by the travel retailer with this
18 section.

19 (9) The limited lines travel insurance producer and a travel
20 retailer offering and disseminating travel insurance under the limited lines
21 travel insurance producer license are subject to the Trade Practices Act, §
22 23-66-201 et seq., and the licensing requirements of the Producer Licensing
23 Model Act, § 23-64-501 et seq.

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25 /s/Copenhaver
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