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HOUSE BILL 14-1185

BY REPRESENTATIVE(S) Kraft-Tharp, Navarro, Szabo, Williams, Hulinghorst, Melton, Pabon, Rosenthal;
also SENATOR(S) Jahn, Todd.

CONCERNING THE ISSUANCE OF TRAVEL INSURANCE POLICIES.

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

SECTION 1. In Colorado Revised Statutes, 10-2-407, **amend** (1) (k) as follows:

10-2-407. License - definitions of lines of insurance - authority.

(1) Unless a person is denied licensure pursuant to section 10-2-801, the division shall issue TO a person who has met the requirements of sections 10-2-401 and 10-2-404 an insurance producer license. An insurance producer may receive qualification for a single license to include one or more of the following lines of authority:

(k) ~~Travel-ticket-selling~~ TRAVEL INSURANCE, AS DEFINED IN SECTION 10-2-414.5;

SECTION 2. In Colorado Revised Statutes, **add** 10-2-414.5 as follows:

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

10-2-414.5. Travel insurance - limited lines license - travel insurance producers - definitions. (1) AS USED IN THIS SECTION:

(a) "LIMITED LINES TRAVEL INSURANCE PRODUCER" MEANS A LICENSED INSURANCE PRODUCER, INCLUDING A LIMITED LINES PRODUCER, WHO IS DESIGNATED BY AN INSURER AS THE TRAVEL INSURANCE SUPERVISING ENTITY.

(b) "OFFER AND DISSEMINATE" MEANS TO PROVIDE GENERAL INFORMATION ABOUT TRAVEL INSURANCE, INCLUDING A DESCRIPTION OF THE COVERAGE AND PRICE, AS WELL AS PROCESSING THE APPLICATION, COLLECTING PREMIUMS, AND PERFORMING OTHER NONLICENSABLE ACTIVITIES PERMITTED BY THE STATE.

(c) "TRAVEL INSURANCE" MEANS INSURANCE COVERAGE FOR PERSONAL RISKS INCIDENT TO PLANNED TRAVEL, INCLUDING: INTERRUPTION OR CANCELLATION OF A TRIP OR EVENT; LOSS OF BAGGAGE OR PERSONAL EFFECTS; DAMAGES TO ACCOMMODATIONS OR RENTAL VEHICLES; OR SICKNESS, ACCIDENT, DISABILITY, OR DEATH OCCURRING DURING TRAVEL. "TRAVEL INSURANCE" DOES NOT INCLUDE MAJOR MEDICAL PLANS THAT PROVIDE COMPREHENSIVE MEDICAL PROTECTION FOR TRAVELERS WITH TRIPS LASTING SIX MONTHS OR LONGER, INCLUDING THOSE WORKING OVERSEAS AS AN EXPATRIATE OR MILITARY PERSONNEL BEING DEPLOYED.

(d) "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 LIMITED LINES TRAVEL INSURANCE PRODUCER. FOR THE PURPOSES OF THIS DEFINITION, THE TERM "BUSINESS ENTITY" MAY INCLUDE ANY INDIVIDUAL WORKING FOR OR ACTING ON BEHALF OF THE TRAVEL RETAILER.

(2) (a) THE COMMISSIONER MAY ISSUE A LIMITED LINES TRAVEL INSURANCE PRODUCER LICENSE TO AN INDIVIDUAL OR BUSINESS ENTITY THAT AUTHORIZES THE LIMITED LINES TRAVEL INSURANCE PRODUCER TO SELL, SOLICIT, OR NEGOTIATE TRAVEL INSURANCE THROUGH A LICENSED INSURER IN A FORM AND MANNER PRESCRIBED BY THE COMMISSIONER.

(b) A TRAVEL RETAILER MAY OFFER AND DISSEMINATE TRAVEL

INSURANCE AS A SERVICE TO ITS CUSTOMERS, ON BEHALF OF AND UNDER THE DIRECTION OF A BUSINESS ENTITY THAT HOLDS A LIMITED LINES TRAVEL INSURANCE PRODUCER LICENSE. IN DOING SO, THE TRAVEL RETAILER MUST PROVIDE TO PROSPECTIVE 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 PRODUCER.

(c) AT THE TIME OF LICENSURE, THE LIMITED LINES TRAVEL INSURANCE PRODUCER SHALL ESTABLISH AND MAINTAIN A REGISTER OF EACH TRAVEL RETAILER THAT OFFERS TRAVEL INSURANCE ON THE LIMITED LINES PRODUCER'S BEHALF ON A FORM PRESCRIBED BY THE COMMISSIONER. THE LIMITED LINES TRAVEL INSURANCE PRODUCER MUST MAINTAIN AND UPDATE THE REGISTER ANNUALLY AND INCLUDE: THE NAME, ADDRESS, AND CONTACT INFORMATION OF EACH TRAVEL RETAILER; THE NAME, ADDRESS, AND CONTACT INFORMATION OF AN OFFICER OR PERSON WHO DIRECTS OR CONTROLS THE TRAVEL RETAILER'S OPERATIONS; AND THE TRAVEL RETAILER'S FEDERAL TAX IDENTIFICATION NUMBER. THE LIMITED LINES TRAVEL INSURANCE PRODUCER MUST SUBMIT THE REGISTER TO THE COMMISSIONER UPON REQUEST. THE LIMITED LINES TRAVEL INSURANCE PRODUCER MUST ALSO CERTIFY THAT THE TRAVEL RETAILER REGISTERED IS NOT IN VIOLATION OF 18 U.S.C. SEC. 1033.

(d) THE LIMITED LINES TRAVEL INSURANCE PRODUCER MUST DESIGNATE ONE OF ITS EMPLOYEES WHO IS A LICENSED INDIVIDUAL PRODUCER AS THE PERSON RESPONSIBLE FOR THE LIMITED LINES TRAVEL INSURANCE PRODUCER'S COMPLIANCE WITH THE TRAVEL INSURANCE LAWS AND RULES OF THE STATE.

(e) THE LIMITED LINES TRAVEL INSURANCE PRODUCER SHALL REQUIRE 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 MUST INCLUDE, AT MINIMUM, INSTRUCTIONS ON THE TYPES OF INSURANCE OFFERED, ETHICAL SALES PRACTICES, AND REQUIRED DISCLOSURES TO PROSPECTIVE CUSTOMERS.

(3) A LIMITED LINES TRAVEL INSURANCE PRODUCER AND THOSE REGISTERED UNDER ITS LICENSE ARE EXEMPT FROM THE PRELICENSURE EDUCATIONAL REQUIREMENTS IN SECTION 10-2-201, CONTINUING EDUCATION REQUIREMENTS IN SECTION 10-2-301, AND EXAMINATION AND CONTINUING EDUCATION REQUIREMENTS IN SECTION 10-2-403.

(4) ANY TRAVEL RETAILER OFFERING OR DISSEMINATING TRAVEL INSURANCE SHALL MAKE BROCHURES OR OTHER WRITTEN MATERIALS AVAILABLE TO PROSPECTIVE PURCHASERS THAT:

(a) PROVIDE THE IDENTITY AND CONTACT INFORMATION OF THE INSURER AND THE LIMITED LINES TRAVEL INSURANCE PRODUCER;

(b) EXPLAIN THAT THE PURCHASE OF TRAVEL INSURANCE IS NOT REQUIRED IN ORDER TO PURCHASE ANY OTHER PRODUCT OR SERVICE FROM THE TRAVEL RETAILER; AND

(c) 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.

(5) A TRAVEL RETAILER'S EMPLOYEE OR AUTHORIZED REPRESENTATIVE WHO IS NOT LICENSED AS AN INSURANCE PRODUCER MAY NOT:

(a) EVALUATE OR INTERPRET THE TECHNICAL TERMS, BENEFITS, OR CONDITIONS OF THE OFFERED TRAVEL INSURANCE COVERAGE;

(b) EVALUATE OR PROVIDE ADVICE CONCERNING A PROSPECTIVE PURCHASER'S EXISTING INSURANCE COVERAGE; OR

(c) HOLD HIMSELF OR HERSELF OUT AS A LICENSED INSURER, LICENSED PRODUCER, OR INSURANCE EXPERT.

(6) 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 LIMITED LINES TRAVEL INSURANCE PRODUCER MEETING THE CONDITIONS STATED IN THIS SECTION, IS AUTHORIZED TO RECEIVE RELATED COMPENSATION FOR THE SERVICES UPON REGISTRATION BY THE LIMITED LINES TRAVEL INSURANCE PRODUCER.

(7) TRAVEL INSURANCE MAY BE PROVIDED UNDER AN INDIVIDUAL POLICY OR UNDER A GROUP OR MASTER POLICY.

(8) THE LIMITED LINES TRAVEL INSURANCE PRODUCER IS RESPONSIBLE FOR THE ACTS OF THE TRAVEL RETAILER AND SHALL USE REASONABLE MEANS TO ENSURE THAT THE TRAVEL RETAILER COMPLIES WITH THIS SECTION.

(9) THE COMMISSIONER MAY TAKE DISCIPLINARY ACTION AGAINST A LIMITED LINES TRAVEL INSURANCE PRODUCER PURSUANT TO SECTION 10-2-801.

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless

approved by the people at the general election to be held in November 2014 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Morgan Carroll
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO