

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0785.01 Kristen Forrestal x4217

HOUSE BILL 14-1185

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HOUSE SPONSORSHIP

**Kraft-Tharp,**

SENATE SPONSORSHIP

**Jahn,**

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**House Committees**

Business, Labor, Economic, & Workforce Development

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE ISSUANCE OF TRAVEL INSURANCE POLICIES.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

The bill allows the commissioner of insurance to issue a limited lines travel insurance producer license. The bill allows a travel retailer (a/k/a travel agent) to issue travel insurance policies under a business entity that holds a limited lines travel insurance producer license. The travel retailer is required to provide specific information to purchasers of travel insurance. The limited lines travel insurance producer is required to:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

- ! Keep a register of each travel retailer that offers travel insurance on its behalf;
- ! Designate a person who is responsible for compliance with state laws and rules; and
- ! Train each travel retailer who offers and disseminates travel insurance.

The bill requires each travel retailer to provide specific information to prospective purchasers of travel insurance. The bill prohibits a travel retailer from interpreting technicalities of the travel insurance, providing advice about the coverage, or holding himself or herself out as a licensed insurer or insurance expert.

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

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

4 **10-2-407. License - definitions of lines of insurance - authority.**

5 (1) Unless a person is denied licensure pursuant to section 10-2-801, the  
6 division shall issue TO a person who has met the requirements of sections  
7 10-2-401 and 10-2-404 an insurance producer license. An insurance  
8 producer may receive qualification for a single license to include one or  
9 more of the following lines of authority:

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

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

14 **10-2-414.5. Travel insurance - limited lines license - travel**  
15 **insurance producers - definitions.** (1) AS USED IN THIS SECTION:

16 (a) "LIMITED LINES TRAVEL INSURANCE PRODUCER" MEANS A  
17 LICENSED MANAGING GENERAL UNDERWRITER; LICENSED MANAGING  
18 GENERAL AGENT OR THIRD PARTY ADMINISTRATOR; OR LICENSED  
19 INSURANCE PRODUCER, INCLUDING A LIMITED LINES PRODUCER, WHO IS

1 DESIGNATED BY AN INSURER AS THE TRAVEL INSURANCE SUPERVISING  
2 ENTITY.

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

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

18 (d) "TRAVEL RETAILER" MEANS A BUSINESS ENTITY THAT MAKES,  
19 ARRANGES, OR OFFERS TRAVEL SERVICES.

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

25 (b) A TRAVEL RETAILER MAY OFFER AND DISSEMINATE TRAVEL  
26 INSURANCE AS A SERVICE TO ITS CUSTOMERS, ON BEHALF OF AND UNDER  
27 THE DIRECTION OF A BUSINESS ENTITY THAT HOLDS A LIMITED LINES

1 TRAVEL INSURANCE PRODUCER LICENSE. IN DOING SO, THE TRAVEL  
2 RETAILER MUST PROVIDE TO PROSPECTIVE PURCHASERS OF TRAVEL  
3 INSURANCE:

4 (I) A DESCRIPTION OF THE MATERIAL TERMS OR THE ACTUAL  
5 MATERIAL TERMS OF THE INSURANCE COVERAGE;

6 (II) A DESCRIPTION OF THE PROCESS FOR FILING A CLAIM;

7 (III) A DESCRIPTION OF THE REVIEW OR CANCELLATION PROCESS  
8 FOR THE TRAVEL INSURANCE POLICY; AND

9 (IV) THE IDENTITY AND CONTACT INFORMATION OF THE INSURER  
10 AND LIMITED LINES PRODUCER.

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

25 (d) THE LIMITED LINES TRAVEL INSURANCE PRODUCER MUST  
26 DESIGNATE ONE OF ITS EMPLOYEES WHO IS A LICENSED INDIVIDUAL  
27 PRODUCER AS THE PERSON RESPONSIBLE FOR THE LIMITED LINES TRAVEL

1 INSURANCE PRODUCER'S COMPLIANCE WITH THE TRAVEL INSURANCE LAWS  
2 AND RULES OF THE STATE.

3 (e) THE LIMITED LINES TRAVEL INSURANCE PRODUCER SHALL  
4 REQUIRE EACH EMPLOYEE AND AUTHORIZED REPRESENTATIVE OF THE  
5 TRAVEL RETAILER WHOSE DUTIES INCLUDE OFFERING AND DISSEMINATING  
6 TRAVEL INSURANCE TO RECEIVE A PROGRAM OF INSTRUCTION OR  
7 TRAINING, WHICH MAY BE SUBJECT TO REVIEW BY THE COMMISSIONER.  
8 THE TRAINING MATERIAL MUST INCLUDE, AT MINIMUM, INSTRUCTIONS ON  
9 THE TYPES OF INSURANCE OFFERED, ETHICAL SALES PRACTICES, AND  
10 REQUIRED DISCLOSURES TO PROSPECTIVE CUSTOMERS.

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

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

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

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

24 (c) EXPLAIN THAT AN UNLICENSED TRAVEL RETAILER IS PERMITTED  
25 TO PROVIDE GENERAL INFORMATION ABOUT THE INSURANCE OFFERED BY  
26 THE TRAVEL RETAILER, INCLUDING A DESCRIPTION OF THE COVERAGE AND  
27 PRICE, BUT IS NOT QUALIFIED OR AUTHORIZED TO ANSWER TECHNICAL

1 QUESTIONS ABOUT THE TERMS AND CONDITIONS OF THE INSURANCE  
2 OFFERED BY THE TRAVEL RETAILER OR TO EVALUATE THE ADEQUACY OF  
3 THE CUSTOMER'S EXISTING INSURANCE COVERAGE.

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

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

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

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

13 (6) A TRAVEL RETAILER WHOSE INSURANCE-RELATED ACTIVITIES,  
14 AND THOSE OF ITS EMPLOYEES AND AUTHORIZED REPRESENTATIVES, ARE  
15 LIMITED TO OFFERING AND DISSEMINATING TRAVEL INSURANCE ON BEHALF  
16 OF AND UNDER THE DIRECTION OF A LIMITED LINES TRAVEL INSURANCE  
17 PRODUCER MEETING THE CONDITIONS STATED IN THIS SECTION, IS  
18 AUTHORIZED TO RECEIVE RELATED COMPENSATION FOR THE SERVICES  
19 UPON REGISTRATION BY THE LIMITED LINES TRAVEL INSURANCE  
20 PRODUCER.

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

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

27 **SECTION 3. Act subject to petition - effective date.** This act

1 takes effect at 12:01 a.m. on the day following the expiration of the  
2 ninety-day period after final adjournment of the general assembly (August  
3 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a  
4 referendum petition is filed pursuant to section 1 (3) of article V of the  
5 state constitution against this act or an item, section, or part of this act  
6 within such period, then the act, item, section, or part will not take effect  
7 unless approved by the people at the general election to be held in  
8 November 2014 and, in such case, will take effect on the date of the  
9 official declaration of the vote thereon by the governor.