

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 14-0785.01 Kristen Forrestal x4217

**HOUSE BILL 14-1185**

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**HOUSE SPONSORSHIP**

**Kraft-Tharp**, Navarro, Szabo, Williams

**SENATE SPONSORSHIP**

**Jahn**,

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**House Committees**

Business, Labor, Economic, & Workforce  
Development  
Appropriations

**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

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.*

HOUSE  
3rd Reading Unamended  
March 12, 2014

HOUSE  
Amended 2nd Reading  
March 10, 2014

to:

- ! 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 INSURANCE PRODUCER, INCLUDING A LIMITED LINES PRODUCER,  
18 WHO IS DESIGNATED BY AN INSURER AS THE TRAVEL INSURANCE  
19 SUPERVISING ENTITY.

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

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

16 (d) "TRAVEL RETAILER" MEANS A BUSINESS ENTITY THAT MAKES,  
17 ARRANGES, OR OFFERS TRAVEL SERVICES AND MAY OFFER AND  
18 DISSEMINATE TRAVEL INSURANCE AS A SERVICE TO ITS CUSTOMERS ON  
19 BEHALF OF AND UNDER THE DIRECTION OF A LIMITED LINES TRAVEL  
20 INSURANCE PRODUCER. FOR THE PURPOSES OF THIS DEFINITION, THE TERM  
21 "BUSINESS ENTITY" MAY INCLUDE ANY INDIVIDUAL WORKING FOR OR  
22 ACTING ON BEHALF OF THE TRAVEL RETAILER.

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

1 (b) A TRAVEL RETAILER MAY OFFER AND DISSEMINATE TRAVEL  
2 INSURANCE AS A SERVICE TO ITS CUSTOMERS, ON BEHALF OF AND UNDER  
3 THE DIRECTION OF A BUSINESS ENTITY THAT HOLDS A LIMITED LINES  
4 TRAVEL INSURANCE PRODUCER LICENSE. IN DOING SO, THE TRAVEL  
5 RETAILER MUST PROVIDE TO PROSPECTIVE PURCHASERS OF TRAVEL  
6 INSURANCE:

7 (I) A DESCRIPTION OF THE MATERIAL TERMS OR THE ACTUAL  
8 MATERIAL TERMS OF THE INSURANCE COVERAGE;

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

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

12 (IV) THE IDENTITY AND CONTACT INFORMATION OF THE INSURER  
13 AND LIMITED LINES PRODUCER.

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

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

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

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

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

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

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

27 (c) EXPLAIN THAT AN UNLICENSED TRAVEL RETAILER IS PERMITTED

1 TO PROVIDE GENERAL INFORMATION ABOUT THE INSURANCE OFFERED BY  
2 THE TRAVEL RETAILER, INCLUDING A DESCRIPTION OF THE COVERAGE AND  
3 PRICE, BUT IS NOT QUALIFIED OR AUTHORIZED TO ANSWER TECHNICAL  
4 QUESTIONS ABOUT THE TERMS AND CONDITIONS OF THE INSURANCE  
5 OFFERED BY THE TRAVEL RETAILER OR TO EVALUATE THE ADEQUACY OF  
6 THE CUSTOMER'S EXISTING INSURANCE COVERAGE.

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

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

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

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

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

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

26 (8) THE LIMITED LINES TRAVEL INSURANCE PRODUCER IS  
27 RESPONSIBLE FOR THE ACTS OF THE TRAVEL RETAILER AND SHALL USE

1 REASONABLE MEANS TO ENSURE THAT THE TRAVEL RETAILER COMPLIES  
2 WITH THIS SECTION.

3 (9) THE COMMISSIONER MAY TAKE DISCIPLINARY ACTION AGAINST  
4 A LIMITED LINES TRAVEL INSURANCE PRODUCER PURSUANT TO SECTION  
5 10-2-801.

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