
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2247 Session of
2014

INTRODUCED BY EVANKOVICH, MILLARD, SWANGER, YOUNGBLOOD, CLYMER,
COHEN, GINGRICH AND LAWRENCE, MAY 12, 2014

REFERRED TO COMMITTEE ON INSURANCE, MAY 12, 2014

AN ACT

1 Providing for the licensure of limited lines travel insurance
2 producers, for requirements for sale of travel insurance, for
3 authority of limited lines travel insurance producers, for
4 registration and training of travel retailers and for renewal
5 of license.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Travel
10 Insurance Act.

11 Section 2. Definitions.

12 The following words and phrases when used in this act shall
13 have the meanings given to them in this section unless the
14 context clearly indicates otherwise:

15 "Application." A form as defined in section 601-A of the act
16 of May 17, 1921 (P.L.789, No.285), known as The Insurance
17 Department Act of 1921.

18 "Business entity." An entity. The term does not include an
19 individual.

1 "Commissioner." The Insurance Commissioner of the
2 Commonwealth.

3 "Customer." A person who purchases travel services or travel
4 insurance.

5 "Department." The Insurance Department of the Commonwealth.

6 "Designated licensee." A licensed insurance producer as
7 defined in section 601-A of the act of May 17, 1921 (P.L.789,
8 No.285), known as The Insurance Department Act of 1921.

9 "Enrolled customer." A customer who elects coverage under a
10 travel insurance policy issued by a travel retailer.

11 "Insurer." As defined in section 601-A of the act of May 17,
12 1921 (P.L.789, No.285), known as The Insurance Department Act of
13 1921.

14 "Limited lines travel insurance producer." A person licensed
15 to sell, solicit or negotiate contracts of travel insurance.

16 "Location." A physical location in this Commonwealth or an
17 Internet website, call center site or similar location provided
18 to residents of this Commonwealth.

19 "Offer and disseminate." Providing general information,
20 including a description of the coverage and price, as well as
21 processing an application for travel insurance, collecting
22 premiums and performing other activities for which no insurance
23 license is required.

24 "Travel insurance." Insurance providing coverage for
25 personal risks incident to planned travel.

26 (1) The term includes:

27 (i) Interruption or cancellation of trip or event.

28 (ii) Loss of baggage or personal effects.

29 (iii) Damages to accommodations or rental vehicles.

30 (iv) Sickness, accident, disability or death

1 occurring during travel.

2 (2) The term does not include:

3 (i) A service contract as defined in section 358(b)
4 of the act of May 17, 1921 (P.L.682, No.284), known as
5 The Insurance Company Law of 1921.

6 (ii) Major medical plans that provide comprehensive
7 medical protection to a traveler with a trip lasting six
8 months or longer, including a person working overseas as
9 an expatriate or deployed military personnel.

10 "Travel retailer." A business entity that makes, arranges or
11 offers travel services and may offer and disseminate travel
12 insurance as a service to its customer on behalf of and under
13 the direction of a travel insurance producer or under its own
14 license.

15 "Travel insurance transaction." The sale of travel insurance
16 to a customer.

17 Section 3. Licensure of limited lines travel insurance
18 producers.

19 (a) Requirement.--A limited lines travel insurance producer
20 is required to hold a limited lines travel insurance license to
21 sell, solicit or negotiate coverage under a policy of travel
22 insurance.

23 (b) Limited lines license.--A limited lines license issued
24 under this act shall authorize a travel retailer registered
25 under the license of the limited lines insurance producer, and
26 each employee or authorized representative of the travel
27 retailer, to offer and disseminate coverage under a policy of
28 travel insurance to a customer at each location where the travel
29 retailer or authorized representative engages in travel
30 insurance transactions and to receive compensation from the

1 limited lines travel insurance producer for those activities.

2 (c) License.--Notwithstanding any other provision of law, a
3 license issued under this section shall authorize the licensee,
4 a travel retailer registered under the licensee's license and an
5 employee or authorized representative of the travel retailer to
6 engage in activities permitted in this section.

7 Section 4. Requirements for sale of travel insurance.

8 (a) Authority and licensure.--A travel retailer and each
9 employee and authorized representative of the travel retailer
10 may offer and disseminate travel insurance to customers and
11 shall not be subject to licensure as an insurance producer under
12 Article VI-A of the act of May 17, 1921 (P.L. 789, No. 285),
13 known as The Insurance Department Act of 1921, provided that:

14 (1) The limited lines travel insurance producer obtains
15 a limited lines license.

16 (2) The limited lines travel insurance producer or
17 travel retailer provides to each purchaser of travel
18 insurance:

19 (i) A description of the material terms or actual
20 material terms of the insurance coverage.

21 (ii) A description of the process for filing a
22 claim.

23 (iii) A description of the review or cancellation
24 process for the travel insurance policy.

25 (iv) The identity and contact information of the
26 travel retailer, insurer and limited lines travel
27 insurance producer.

28 (b) Register of travel retailers.--

29 (1) At the time of licensure, the limited lines travel
30 insurance producer shall establish and maintain a register of

1 each travel retailer in this Commonwealth where travel
2 insurance is offered on the limited lines travel insurance
3 producer's behalf.

4 (2) The register shall be maintained and updated
5 annually by the limited lines travel insurance producer and
6 shall include:

7 (i) The name, address and contact information of the
8 travel retailer.

9 (ii) The name of the officer or person who directs
10 or controls the travel retailer's operations.

11 (iii) The travel retailer's Federal Tax
12 Identification Number.

13 (3) The limited lines travel insurance producer shall
14 submit the register to the department upon request.

15 (4) The limited lines travel insurance producer shall
16 also certify that the travel retailer registered complies
17 with 18 U.S.C. § 1033 (relating to crimes by or affecting
18 persons engaged in the business of insurance whose activities
19 affect interstate commerce).

20 (c) Training.--The insurer issuing the travel insurance must
21 either directly supervise or authorize a designated licensee to
22 supervise the administration of a training program, including
23 the development of the program, for employees and authorized
24 representatives of the travel retailer which may be subject to
25 review by the department. The training shall comply with the
26 following:

27 (1) The training shall be delivered to employees and
28 authorized representatives of a travel retailer who are
29 directly engaged in the activity of selling, soliciting or
30 negotiating travel insurance.

1 (2) The training may be provided in electronic form. If
2 conducted in an electronic form, the insurer shall implement
3 a supplemental education program regarding travel insurance
4 that is conducted and overseen by the designated licensee.

5 (3) Each employee and authorized representative, at a
6 minimum, shall receive basic instruction about the types of
7 travel insurance offered, ethical sales practices and the
8 disclosures required under this section.

9 (d) List of trained employees and authorized
10 representatives.--The travel retailer shall maintain a list of
11 all employees and authorized representatives trained under the
12 requirements of this section. The travel retailer shall submit
13 the list to the department or the limited lines travel insurance
14 producer upon request. The list shall be maintained and updated
15 annually and shall include:

16 (1) The date the training was completed.

17 (2) The employee's and authorized representative's start
18 and end date of employment.

19 (3) The employee's and authorized representative's
20 contact information.

21 (e) Written materials.--A travel retailer offering or
22 disseminating travel insurance shall make available at every
23 location where travel insurance is offered brochures or other
24 written material that:

25 (1) Provides the identity and contact information of the
26 insurer and the limited lines travel insurance agent.

27 (2) Discloses that travel insurance may provide a
28 duplication of coverage already provided.

29 (3) Explains that purchase of travel insurance is not
30 required in order to purchase any other product or service

1 from the travel retailer.

2 (4) Explains that an unlicensed travel retailer is
3 permitted to provide general information about the insurance
4 offered by the travel retailer, including a description of
5 the coverage and price, but is not qualified or authorized to
6 answer technical questions about the terms and conditions of
7 insurance coverage.

8 (f) Limitations.--A travel retailer's employee or authorized
9 representative who is not licensed as a designated licensee may
10 not:

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

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

15 (3) Advertise, represent or otherwise hold himself out
16 as a licensed insurer, designated licensee or insurance
17 expert.

18 (g) Charges.--The charges for travel insurance coverage may
19 be billed and collected by the travel retailer. A charge to the
20 enrolled customer for coverage that is not included in the cost
21 associated with the purchase of travel services shall be
22 separately itemized on the enrolled customer's bill. If the
23 travel insurance coverage is included with the purchase of
24 travel services, the travel retailer shall clearly and
25 conspicuously disclose to the enrolled customer that the travel
26 insurance coverage is included with the purchase of travel
27 services. Travel retailer billing and collecting the charges
28 shall not be required to maintain the funds in a segregated
29 account provided that the travel retailer is authorized by the
30 insurer to hold the funds in an alternative manner and remits

1 the amounts to the supervising entity within 60 days of receipt.
2 The funds received by a travel retailer from an enrolled
3 customer for the sale of travel insurance shall be considered
4 funds held in trust by the travel retailer in a fiduciary
5 capacity for the benefit of the insurer.

6 (h) Compensation.--A travel retailer, whose insurance-
7 related activities and those of the employee or authorized
8 representative are limited to offering and disseminating travel
9 insurance on behalf or under the direction of a limited lines
10 travel insurance producer meeting the conditions stated in this
11 act is authorized to conduct an activity and receive related
12 compensation upon registration and training required under this
13 section. A travel retailer may receive compensation from the
14 insurer for billing and collection services.

15 Section 5. Policy.

16 (a) Offering.--Travel insurance may be offered under an
17 individual policy or under a group policy.

18 (b) Eligibility and underwriting standards.--Eligibility and
19 underwriting standards for customers electing to enroll in
20 coverage shall be established for each travel insurance program.

21 Section 6. Responsibility.

22 As the insurer designee, the limited lines travel insurance
23 producer and insurer are responsible for the acts of the travel
24 retailer who is not a limited lines travel insurance producer
25 and shall use reasonable means to ensure compliance by the
26 travel retailer with this act.

27 Section 7. Enforcement.

28 (a) Violation.--A violation of this act shall constitute a
29 violation of Article VI-A and the act of May 17, 1921 (P.L. 789,
30 No. 285), known as The Insurance Department Act of 1921, and

1 shall be punishable under section 691-A of that act.

2 (b) Grading.--A person who violates any provision of this
3 act commits a misdemeanor of the third degree.

4 Section 8. Licensing.

5 An application for licensure under this act shall be in
6 accordance with section 606-A of the Act of May 17, 192 (P.L.
7 789, No. 285), known as The Insurance Department Act of 1921.

8 Section 9. Renewal of license.

9 A license may be renewed in accordance with section 608-A of
10 the Act of May 17, 1921 (P.L. 789, No. 285), known as The
11 Insurance Department Act of 1921.

12 Section 10. Effective date.

13 This act shall take effect in 120 days.