

DRAFT

SUMMARY

Permits travel retailers that are not licensed insurance producers to offer travel insurance at direction of licensed insurance producers, subject to certain restrictions.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to travel insurance; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Sections 2 to 4 of this 2015 Act are added to and made part of ORS chapter 744.

SECTION 2. As used in sections 2 to 4 of this 2015 Act:

(1) “Business entity” has the meaning given that term in ORS 731.116.

(2) “Limited travel insurance producer” means:

(a) A managing general agent licensed under ORS 744.300 to ORS 744.316; or

(b) An insurance producer licensed under ORS 744.052 to 744.089 to negotiate, sell or solicit travel insurance.

(3) “Negotiate” has the meaning given that term in ORS 731.104.

(4) “Offer and disseminate travel insurance” means:

(a) To provide general information regarding the travel insurance, including a description of coverage and price;

(b) To disseminate and process applications for travel insurance coverage; or

(c) To collect premiums on behalf of a limited travel insurance

1 **producer.**

2 (5) “Sell” has the meaning given that term in ORS 731.104.

3 (6) “Solicit” has the meaning given that term in ORS 731.104.

4 (7)(a) “Travel insurance” means insurance coverage for personal
5 risks incidental to planned travel, including:

6 (A) Interruption or cancellation of a trip or event;

7 (B) Loss of baggage or personal effects;

8 (C) Damages to accommodations or rental vehicles; or

9 (D) Sickness, accident, disability or death occurring during travel.

10 (b) “Travel insurance” does not include medical plans providing
11 comprehensive medical protection for travelers with trips lasting six
12 months or longer.

13 (8) “Travel retailer” means a business entity that makes travel ar-
14 rangements for or provides other travel services to customers.

15 **SECTION 3.** (1) Notwithstanding the provisions of ORS 744.053, a
16 travel retailer may offer and disseminate travel insurance on behalf
17 of and at the direction of a limited travel insurance producer and may
18 receive compensation for doing so.

19 (2) A limited travel insurance producer may direct a travel retailer
20 to offer and disseminate travel insurance pursuant to subsection (1)
21 of this section only if the following conditions are met:

22 (a) The name, contact information and license number of the lim-
23 ited travel insurance producer are clearly identified on marketing
24 materials and fulfillment packages distributed by the travel retailer
25 to customers;

26 (b) The limited travel insurance producer, at the time of licensure
27 and thereafter, establishes and maintains a register, in a form ap-
28 proved by the Director of the Department of Consumer and Business
29 Services, that contains the following information for each travel
30 retailer that offers and disseminates travel insurance at the direction
31 of the limited travel insurance producer:

1 (A) The name, address, contact information and federal employer
2 identification number of the travel retailer;

3 (B) The name, address and contact information of an officer or
4 person who directs or controls the operations of the travel retailer;
5 and

6 (C) An affidavit executed under oath by the travel retailer stating
7 that the travel retailer is not guilty of any offense under 18 U.S.C.
8 1033;

9 (c) The limited travel insurance producer submits the register de-
10 scribed in paragraph (b) of this subsection to the director within 30
11 days of a request by the director;

12 (d) The limited travel insurance producer designates an employee
13 who is a limited travel insurance producer as responsible for ensuring
14 the compliance of the limited travel insurance producer with the laws,
15 rules and regulations of this state;

16 (e) The employee designated in paragraph (d) of this subsection, as
17 well as the president, secretary, treasurer and any other person who
18 directs or controls the insurance operations of the limited travel in-
19 surance producer, all comply with fingerprinting requirements estab-
20 lished by the director;

21 (f) The limited travel insurance producer does not owe any out-
22 standing fees relating to insurance licensing; and

23 (g) Each employee of the travel retailer whose duties include offer-
24 ing and disseminating travel insurance receives a program of instruc-
25 tion or training that contains instructions on the types of insurance
26 offered, ethical sales practices, required disclosures to customers and
27 any other content that the director may prescribe.

28 (3) A travel retailer that offers and disseminates travel insurance
29 shall make available to customers brochures or other written materi-
30 als that:

31 (a) Provide the identity and contact information of the insurer and

1 **the limited travel insurance producer;**

2 **(b) Explain that the purchase of travel insurance is not required in**
3 **order to purchase any other product or service from the travel**
4 **retailer; and**

5 **(c) Explain that a travel retailer that is not a limited travel insur-**
6 **ance producer is not qualified or authorized to answer technical**
7 **questions about the terms and conditions of the travel insurance of-**
8 **fered by the travel retailer or to evaluate the adequacy of a customer's**
9 **existing insurance coverage.**

10 **(4) A travel retailer that is not a limited travel insurance producer**
11 **may not:**

12 **(a) Evaluate or interpret the technical terms, benefits or conditions**
13 **of travel insurance offered by the travel retailer;**

14 **(b) Evaluate or advise concerning a prospective purchaser's existing**
15 **insurance coverage; or**

16 **(c) Hold itself out as an insurance expert or a limited travel insur-**
17 **ance producer.**

18 **SECTION 4. If the Director of the Department of Consumer and**
19 **Business Services determines that a travel retailer has violated any**
20 **provision of section 2 or 3 of this 2015 Act, the director may, in addi-**
21 **tion to imposing any penalties authorized under the Insurance Code:**

22 **(1) Direct the limited travel insurance producer to implement a**
23 **corrective action plan with the travel retailer; or**

24 **(2) Direct the limited travel insurance producer to revoke its au-**
25 **thorization of the travel retailer to transact travel insurance on its**
26 **behalf and under its license and to remove the travel retailer from its**
27 **register described in section 3 (2)(b) of this 2015 Act.**

28 **SECTION 5. The Director of the Department of Consumer and**
29 **Business Services shall adopt rules to implement and administer the**
30 **provisions of sections 2 to 4 of this 2015 Act.**

31 **SECTION 6. (1) Sections 2 to 4 of this 2015 Act become operative**

1 on January 1, 2016.

2 (2) The Director of the Department of Consumer and Business Ser-
3 vices may take any action before the operative date specified in sub-
4 section (1) of this section that is necessary for the director to exercise,
5 on and after the operative date specified in subsection (1) of this sec-
6 tion, all of the duties, functions and powers conferred on the director
7 by sections 2 to 4 of this 2015 Act.

8 SECTION 7. This 2015 Act being necessary for the immediate pres-
9 ervation of the public peace, health and safety, an emergency is de-
10 clared to exist, and this 2015 Act takes effect on its passage.

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