US Travel Insurance Association

Senate Bill 715 -- Travel Insurance Limited Line Producer Licensing Reform

Senate Bill 715 would update Oregon's producer licensing requirements for travel insurance to bring conformity with over 30 other states. The bill uses language based on a model act adopted by the National Conference of Insurance Legislators (NCOIL) in November 2012, and uniform licensing standards adopted by the National Association of Insurance Commissioners (NAIC) in late 2010. Washington, Idaho and California have all addressed this modernization, and legislation is being pursued in Nevada.

Travel agents and insurance companies writing travel insurance have in recent years faced disparate licensing requirements in each state. Before states started enacting the model act a couple years ago, there were 41 different licensing qualification codes to get licensed for travel insurance across the states. Each state had different licensing processes and procedures, and some did not accept electronic applications. As a result, it could take 6 months to get licensed to sell travel insurance across the U.S., making full compliance nearly impossible in an industry that can suffer high turnover. This is a significant burden and regulatory risk to the 155 travel agencies in Oregon, which provide more than 800 full-time jobs and millions in direct economic impact to the state. Compliance burdens weigh heavily on these predominantly small businesses, with 75% employing fewer than 5 people and 90% with fewer than 10.

The legislation would permit licensed insurance providers (companies) to be the licensees for products distributed through non-insurance travel retailers (travel agents), if and only if new, specific conditions protecting consumers are met – registration of the agents, training, and consumer disclosures.

The American Society of Travel Agents (ASTA), which represents travel agents in Oregon and across the country, joins USTiA in support of this legislation.

The UStiA is a national association of insurance carriers, third-party administrators, insurance agencies and related businesses involved in the development, administration and marketing of travel insurance and travel assistance products. UStiA works to assist our members to ensure that travelers have affordable access to travel protection and travel assistance, to educate consumers about travel insurance and related issues, and to foster ethical and professional standards of industry conduct.