

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
Senate Committee On Business and Transportation

MEASURE: SB 715
CARRIER: Sen. Girod

Fiscal: No Fiscal Impact
Revenue: No Revenue Impact

Action Date: 03/16/15

Action: Do Pass.

Meeting Dates: 03/16

Vote:
Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen

Prepared By: James LaBar, Committee Administrator

WHAT THE MEASURE DOES:

Permits licensed insurance providers to be the licensees for products distributed through non-insurance travel retailers if specific conditions protecting consumers are met, including registration of the agents, training, and consumer disclosures. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Travel agent business model changes
- Benefits to consumers and industries
- National model legislation and interstate compliance
- Travel insurance expertise

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

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

Travel agents and insurance companies writing travel insurance have, in recent years, faced different 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 as much as six months to get licensed to sell travel insurance across the U.S., making full compliance nearly impossible in an industry that can be challenged by high turnover. This is a regulatory risk to the 155 travel agencies in Oregon, which provide more than 800 full-time jobs. These travel agencies are predominantly small businesses, with 75 percent employing fewer than five people and 90 percent with fewer than 10.