

Senate Bill 715

Sponsored by COMMITTEE ON BUSINESS AND TRANSPORTATION

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

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

1
2 Relating to travel insurance; and declaring an emergency.

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

4 **SECTION 1. Sections 2 to 4 of this 2015 Act are added to and made part of ORS chapter**
5 **744.**

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

7 (1) **"Business entity" has the meaning given that term in ORS 731.116.**

8 (2) **"Limited travel insurance producer" means:**

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

10 (b) **An insurance producer licensed under ORS 744.052 to 744.089 to negotiate, sell or so-**
11 **licit travel insurance.**

12 (3) **"Negotiate" has the meaning given that term in ORS 731.104.**

13 (4) **"Offer and disseminate travel insurance" means:**

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

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

17 (c) **To collect premiums on behalf of a limited travel insurance producer.**

18 (5) **"Sell" has the meaning given that term in ORS 731.104.**

19 (6) **"Solicit" has the meaning given that term in ORS 731.104.**

20 (7)(a) **"Travel insurance" means insurance coverage for personal risks incidental to**
21 **planned travel, including:**

22 (A) **Interruption or cancellation of a trip or event;**

23 (B) **Loss of baggage or personal effects;**

24 (C) **Damages to accommodations or rental vehicles; or**

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

26 (b) **"Travel insurance" does not include medical plans providing comprehensive medical**
27 **protection for travelers with trips lasting six months or longer.**

28 (8) **"Travel retailer" means a business entity that makes travel arrangements for or**
29 **provides other travel services to customers.**

30 **SECTION 3. (1) Notwithstanding the provisions of ORS 744.053, a travel retailer may offer**
31 **and disseminate travel insurance on behalf of and at the direction of a limited travel insur-**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **ance producer and may receive compensation for doing so.**

2 **(2) A limited travel insurance producer may direct a travel retailer to offer and dissem-**
3 **inate travel insurance pursuant to subsection (1) of this section only if the following condi-**
4 **tions are met:**

5 **(a) The name, contact information and license number of the limited travel insurance**
6 **producer are clearly identified on marketing materials and fulfillment packages distributed**
7 **by the travel retailer to customers;**

8 **(b) The limited travel insurance producer, at the time of licensure and thereafter, es-**
9 **tablishes and maintains a register, in a form approved by the Director of the Department**
10 **of Consumer and Business Services, that contains the following information for each travel**
11 **retailer that offers and disseminates travel insurance at the direction of the limited travel**
12 **insurance producer:**

13 **(A) The name, address, contact information and federal employer identification number**
14 **of the travel retailer;**

15 **(B) The name, address and contact information of an officer or person who directs or**
16 **controls the operations of the travel retailer; and**

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

19 **(c) The limited travel insurance producer submits the register described in paragraph (b)**
20 **of this subsection to the director within 30 days of a request by the director;**

21 **(d) The limited travel insurance producer designates an employee who is a limited travel**
22 **insurance producer as responsible for ensuring the compliance of the limited travel insur-**
23 **ance producer with the laws, rules and regulations of this state;**

24 **(e) The employee designated in paragraph (d) of this subsection, as well as the president,**
25 **secretary, treasurer and any other person who directs or controls the insurance operations**
26 **of the limited travel insurance producer, all comply with fingerprinting requirements estab-**
27 **lished by the director;**

28 **(f) The limited travel insurance producer does not owe any outstanding fees relating to**
29 **insurance licensing; and**

30 **(g) Each employee of the travel retailer whose duties include offering and disseminating**
31 **travel insurance receives a program of instruction or training that contains instructions on**
32 **the types of insurance offered, ethical sales practices, required disclosures to customers and**
33 **any other content that the director may prescribe.**

34 **(3) A travel retailer that offers and disseminates travel insurance shall make available**
35 **to customers brochures or other written materials that:**

36 **(a) Provide the identity and contact information of the insurer and the limited travel**
37 **insurance producer;**

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

40 **(c) Explain that a travel retailer that is not a limited travel insurance producer is not**
41 **qualified or authorized to answer technical questions about the terms and conditions of the**
42 **travel insurance offered by the travel retailer or to evaluate the adequacy of a customer's**
43 **existing insurance coverage.**

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

45 **(a) Evaluate or interpret the technical terms, benefits or conditions of travel insurance**

1 offered by the travel retailer;

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

3 or

4 (c) Hold itself out as an insurance expert or a limited travel insurance producer.

5 **SECTION 4.** If the Director of the Department of Consumer and Business Services de-
6 termines that a travel retailer has violated any provision of section 2 or 3 of this 2015 Act,
7 the director may, in addition to imposing any penalties authorized under the Insurance Code:

8 (1) Direct the limited travel insurance producer to implement a corrective action plan
9 with the travel retailer; or

10 (2) Direct the limited travel insurance producer to revoke its authorization of the travel
11 retailer to transact travel insurance on its behalf and under its license and to remove the
12 travel retailer from its register described in section 3 (2)(b) of this 2015 Act.

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

15 **SECTION 6.** (1) Sections 2 to 4 of this 2015 Act become operative on January 1, 2016.

16 (2) The Director of the Department of Consumer and Business Services may take any
17 action before the operative date specified in subsection (1) of this section that is necessary
18 for the director to exercise, on and after the operative date specified in subsection (1) of this
19 section, all of the duties, functions and powers conferred on the director by sections 2 to 4
20 of this 2015 Act.

21 **SECTION 7.** This 2015 Act being necessary for the immediate preservation of the public
22 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect
23 on its passage.

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