Senate Bill 234

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By: Senators Jones of the 25th, Murphy of the 27th, Millar of the 40th, Ginn of the 47th, Golden of the 8th and others

A BILL TO BE ENTITLED AN ACT

- 1 To amend Code Section 33-23-12 of the Official Code of Georgia Annotated, relating to
- 2 limited licenses, so as to provide for the comprehensive revision of provisions regarding the
- 3 issuance and regulation of limited licenses to sell travel insurance; to provide for related
- 4 matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.** 7 Code Section 33-23-12 of the Official Code of Georgia Annotated, relating to limited 8 licenses, is amended by revising subsection (a) as follows: 9 "(a) Except as provided in subsection (b) of this Code section for credit insurance licenses, 10 subsection (c) of this Code section for rental companies, and subsection (d) of this Code 11 section for portable electronics, and subsection (f) of this Code Section for travel insurance, 12 the Commissioner may provide by rule or regulation for licenses which are limited in scope 13 to specific lines or sublines of insurance."

14 SECTION 2.

- 15 Said Code section is further amended by adding a new subsection to read as follows:
- (f)(1) As used in this subsection, the term:
- 17 (A) 'Limited licensee' means a person or entity authorized to sell certain coverages
- related to travel pursuant to the provisions of this subsection.
- 19 (B) 'Limited lines travel insurance producer' means a:
- 20 <u>(i) Licensed managing general underwriter;</u>
- 21 (ii) Licensed managing general agent or third-party administrator; or
- 22 (iii) Licensed insurance producer, including a limited licensee, designated by an
- 23 <u>insurer as the travel insurance supervising entity as set forth in division (2)(C)(iii) of</u>
- 24 this subsection.

25	(C) 'Offer and disseminate' means providing general information, including a
26	description of the coverage and price, as well as processing the application, collecting
27	premiums, and performing other nonlicensable activities permitted by this state.
28	(D) 'Travel insurance' means insurance coverage for personal risks incident to planned
29	travel, including, but not limited to:
30	(i) Interruption or cancellation of trip or event;
31	(ii) Loss of baggage or personal effects;
32	(iii) Damage to accommodations or rental vehicles; or
33	(iv) Sickness, accident, disability, or death occurring during travel.
34	Travel insurance shall not include major medical plans which provide comprehensive
35	medical protection for travelers with trips lasting six months or longer, including, but
36	not limited to, those working overseas as an expatriate or military personnel being
37	deployed.
38	(E) 'Travel retailer' means a business entity that makes, arranges, or offers travel
39	services and that may offer and disseminate travel insurance as a service to its
40	customers on behalf of and under the direction of a limited lines travel insurance
41	producer.
42	(2)(A) Notwithstanding any other provision of law, the Commissioner may issue to an
43	individual or business entity that has complied with the requirements of this subsection
44	a limited lines travel insurance producer license which authorizes the limited lines
45	travel insurance producer to sell, solicit, or negotiate travel insurance through a licensed
46	insurer.
47	(B) As a prerequisite for issuance of a limited license under this subsection, there shall
48	be filed with the Commissioner an application for such limited license in a form and
49	manner prescribed by the Commissioner.
50	(C) Notwithstanding any other provision of law, a travel retailer may offer and
51	disseminate travel insurance under a limited lines travel insurance producer business
52	entity license only if the following conditions are met:
53	(i) The limited lines travel insurance producer or travel retailer provides to purchasers
54	of travel insurance:
55	(I) A description of the material terms or the actual material terms of the insurance
56	coverage;
57	(II) A description of the process for filing a claim;
58	(III) A description of the review or cancellation process for the travel insurance
59	policy; and
60	(IV) The identity and contact information of the insurer and limited lines travel
61	insurance producer;

62 (ii) At the time of licensure, the limited lines travel insurance producer shall establish and maintain a register on a form prescribed by the Commissioner of each travel 63 64 retailer that offers travel insurance on the limited lines travel insurance producer's 65 behalf. The register shall be maintained and updated by the limited lines travel insurance producer and shall include the name, address, and contact information of 66 67 the travel retailer and an officer or person who directs or controls the travel retailer's 68 operations and the travel retailer's federal tax identification number. The limited lines travel insurance producer shall submit such register to the Insurance Department upon 69 70 reasonable request. The limited lines travel insurance producer shall also certify that 71 the travel retailer registered complies with 18 U.S.C. Section 1033; 72 (iii) The limited lines travel insurance producer shall designate one of its employees 73 who is a licensed individual producer as the person responsible for the limited lines 74 travel insurance producer's compliance with the travel insurance laws, rules and 75 regulations of this state; 76 (iv) The employee designated as provided in division (iii) of this subparagraph, 77 president, secretary, treasurer, and any other officer or person who directs or controls 78 the limited lines travel insurance producer's insurance operations shall comply with 79 the fingerprinting requirements applicable to insurance producers in the resident state 80 of the limited lines travel insurance producer; 81 (v) The limited lines travel insurance producer shall pay all applicable insurance 82 producer licensing fees as set forth in applicable state law; 83 (vi) The limited lines travel insurance producer shall require each employee or 84 authorized representative of the travel retailer whose duties include offering and 85 disseminating travel insurance to receive a program of instruction or training, which 86 may be subject to review by the Commissioner. The training material shall, at a 87 minimum, contain instructions on the types of insurance offered, ethical sales 88 practices, and required disclosures to prospective customers; and (vii) No prelicensing examination or continuing education shall be required for 89 90 issuance of a limited license pursuant to this subsection. (D) Any travel retailer offering or disseminating travel insurance shall make available 91 92 to prospective purchasers brochures or other written materials that: 93 (i) Provide the identity and contact information of the insurer and the limited lines travel insurance producer; 94 95 (ii) Explain that the purchase of travel insurance is not required in order to purchase 96 any other product or service from the travel retailer; and 97 (iii) Explain that an unlicensed travel retailer is permitted to provide general

information about the insurance offered by the travel retailer, including a description

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99	of the coverage and price, but is not qualified or authorized to answer technical
100	questions about the terms and conditions of the insurance offered by the travel retailer
101	or to evaluate the adequacy of the customer's existing insurance coverage.
102	(E) A travel retailer employee or authorized representative that is not licensed as an
103	insurance producer shall not:
104	(i) Evaluate or interpret the technical terms, benefits, and conditions of the offered
105	travel insurance coverage;
106	(ii) Evaluate or provide advice concerning a prospective purchaser's existing
107	insurance coverage; or
108	(iii) Hold itself out as a licensed insurer, licensed producer, or insurance expert.
109	(3) Notwithstanding any other provision of law, a travel retailer whose insurance related
110	activities, and those of its employees or authorized representatives, are limited to offering
111	and disseminating travel insurance on behalf of and under the direction of a limited lines
112	travel insurance producer meeting the conditions stated in this subsection shall be
113	authorized to do so and receive related compensation upon registration by the limited
114	lines travel insurance producer as provided in subparagraph (C) of paragraph (2) of this
115	subsection.
116	(4) Travel insurance may be provided under an individual policy or under a group or
117	master policy.
118	(5) As the insurer designee, the limited lines travel insurance producer shall be
119	responsible for the acts of the travel retailer and authorized representative and shall use
120	reasonable means to ensure compliance by the travel retailer with this subsection.
121	(6) The limited lines travel insurance producer and any travel retailer or authorized
122	representative offering and disseminating travel insurance under the limited lines travel
123	insurance producer's license shall be subject to the unfair trade practices provisions under
124	Article 1 of Chapter 6 of this title and to the other provisions of this article relating to
125	insurance producers."
126	SECTION 3.

127 All laws and parts of laws in conflict with this Act are repealed.