

Senate Bill 234

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

AS PASSED SENATE

**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.

5 **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:

16 "(f)(1) As used in this subsection, the term:

17 (A) 'Limited licensee' means a person or entity authorized to sell certain coverages
18 related to travel pursuant to the provisions of this subsection.

19 (B) 'Limited lines travel insurance producer' means a:

20 (i) Licensed managing general underwriter;

21 (ii) Licensed managing general agent or third-party administrator; or

22 (iii) Licensed insurance producer, including a limited licensee, designated by an
23 insurer as the travel insurance supervising entity as set forth in division (2)(C)(iii) of
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
63 and maintain a register on a form prescribed by the Commissioner of each travel
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
66 insurance producer and shall include the name, address, and contact information of
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
69 travel insurance producer shall submit such register to the Insurance Department upon
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

89 (vii) No prelicensing examination or continuing education shall be required for
90 issuance of a limited license pursuant to this subsection.

91 (D) Any travel retailer offering or disseminating travel insurance shall make available
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
94 travel insurance producer;

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