

House Study Bill 689 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON LUNDGREN)

A BILL FOR

- 1 An Act relating to the sale of travel insurance.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 515K.1 Short title.

2 This chapter shall be known and may be cited as the "*Travel*
3 *Insurance Model Act*".

4 Sec. 2. NEW SECTION. 515K.2 Definitions.

5 As used in this chapter, unless the context otherwise
6 requires:

7 1. "*Aggregator site*" means an internet site that provides
8 access to information regarding insurance products, including
9 product and insurer information, that is obtained from more
10 than one insurer for use by consumers in comparison shopping.

11 2. "*Blanket travel insurance*" means a policy of travel
12 insurance issued to any eligible group that provides coverage
13 for specific classes of persons as defined in the policy, with
14 coverage provided to all members of the eligible group without
15 a separate charge to individual members of the eligible group.

16 3. "*Cancellation fee waiver*" means a contractual agreement
17 between a supplier of travel services and the supplier's
18 customers to waive some or all of the nonrefundable
19 cancellation fee provisions of the supplier's underlying travel
20 contract with or without regard to the reason for cancellation
21 or to the form of reimbursement. A cancellation fee waiver
22 shall not be considered insurance.

23 4. "*Commissioner*" means the commissioner of insurance.

24 5. "*Designated responsible producer*" means an employee of
25 a limited lines travel insurance producer who is a licensed
26 individual insurance producer and who is designated by the
27 limited lines travel insurance producer as the individual
28 responsible for compliance with the travel insurance laws and
29 regulations applicable to the limited lines travel insurance
30 producer and the limited lines travel insurance producer's
31 registrants.

32 6. "*Eligible group*" means two or more persons who
33 are engaged in a common enterprise, or have an economic,
34 educational, or social affinity or relationship, including but
35 not limited to any of the following:

1 *a.* An entity engaged in the business of providing travel
2 or travel services, including but not limited to a tour
3 operator, a lodging provider, a vacation property owner, a
4 hotel, a resort, a travel club, a travel agency, a property
5 manager, a cultural exchange program, and a common carrier or
6 the operator, owner, or lessor of a means of transportation
7 of passengers including but not limited to an airline, a
8 cruise line, a railroad, a steamship company, and a public bus
9 carrier, where with regard to any particular travel or type of
10 travel or travelers, all members or customers have a common
11 exposure to risk attendant to such travel.

12 *b.* A college, school, or other institution of learning,
13 including all students, teachers, employees, and volunteers of
14 the college, school, or other institution of learning.

15 *c.* An employer, including all employees, volunteers,
16 contractors, and members of the employer's board of directors;
17 and all dependents and guests of an employee, a volunteer, a
18 contractor, or a member of the employer's board of directors.

19 *d.* A sports team, sports camp, or a sponsor of a sports team
20 or sports camp, including all participants, members, campers,
21 employees, officials, supervisors, or volunteers of the sports
22 team, sports camp, or the sponsor of a sports team or sports
23 camp.

24 *e.* A religious, charitable, recreational, educational,
25 or civic organization, including any group of members,
26 participants, and volunteers of the religious, charitable,
27 recreational, educational, or civic organization.

28 *f.* A financial institution, a financial institution vendor,
29 or a parent holding company, trustee, agent of, or agent
30 designated by, one or more financial institutions or financial
31 institution vendors, including account holders, credit card
32 holders, debtors, guarantors, and purchasers.

33 *g.* An incorporated or unincorporated association, including
34 a labor union, that has a common interest, a constitution, and
35 bylaws; and that is organized and maintained in good faith for

1 a purpose other than obtaining insurance for the members or
2 participants of the association.

3 *h.* A trust or a trustee of a fund established, created, or
4 maintained for the benefit of and covering members, employees,
5 or customers, and that is subject to the commissioner
6 permitting the use of a trust and the premium tax provisions
7 under section 515K.8, of one or more associations meeting the
8 requirements under paragraph *g*.

9 *i.* An entertainment production company including all
10 participants, volunteers, audience members, contestants, and
11 workers.

12 *j.* A volunteer fire department, ambulance or rescue
13 organization, first aid organization, civil defense
14 organization, and similar volunteer organizations.

15 *k.* A preschool, or a day care facility for children or
16 adults.

17 *l.* An organization for senior citizens.

18 *m.* An automobile or truck rental or leasing company that
19 covers a group of individuals who may become renters, lessees,
20 or passengers as defined by an individual's travel status on
21 the rented or leased automobile or truck. The common carrier,
22 the operator, owner, or lessor of a means of transportation,
23 or the automobile or truck rental or leasing company is the
24 policyholder under a policy to which this chapter applies.

25 *n.* Any other group, as established by the commissioner by
26 rule, in which the members are engaged in a common enterprise,
27 or have an economic, educational, or social affinity or
28 relationship, and for which issuance of a travel insurance
29 policy is not contrary to the public interest.

30 7. *"Fulfillment materials"* means documentation provided to
31 the purchaser of a travel protection plan that confirms the
32 purchase and that provides details of the travel protection
33 plan coverage and the travel assistance services.

34 8. *"Group travel insurance"* means travel insurance that is
35 issued to an eligible group.

1 9. "*Limited lines travel insurance producer*" means any of the
2 following:

3 a. A licensed managing general agent or a licensed
4 third-party administrator.

5 b. A licensed insurance producer, including a licensed
6 limited lines producer.

7 c. A travel administrator.

8 10. "*Offer and disseminate*" means to provide general
9 information regarding travel insurance or a travel protection
10 plan, including a description of the coverage and price, and
11 to process an application and collect premiums for travel
12 insurance or a travel protection plan.

13 11. "*Primary certificate holder*" means an individual who has
14 elected and purchased travel insurance under a group policy.

15 12. "*Primary policyholder*" means an individual who has
16 elected and purchased individual travel insurance.

17 13. "*Travel administrator*" means a person who directly
18 or indirectly underwrites, collects charges, collateral, or
19 premiums from, or adjusts or settles claims on, residents
20 of this state in connection with travel insurance. "*Travel*
21 *administrator*" shall not include a person whose only actions
22 that would otherwise cause the person to be considered a travel
23 administrator are any of the following:

24 a. A person that works for a travel administrator to
25 the extent that the person's activities are subject to the
26 supervision and control of the travel administrator.

27 b. A person that is an insurance producer and who sells
28 insurance or is engaged in administrative and claims-related
29 activities within the scope of the person's producers license.

30 c. A person that is a travel retailer that offers and
31 disseminates travel insurance and that is registered under the
32 license of a limited lines travel insurance producer.

33 d. An individual who adjusts or settles claims in the
34 normal course of the individual's practice or employment as
35 an attorney and who does not collect charges or premiums in

1 connection with insurance coverage.

2 e. A business entity that is affiliated with a licensed
3 insurer while acting as a travel administrator for the direct
4 and assumed insurance business of an affiliated insurer.

5 14. *“Travel assistance services”* means a non-insurance,
6 non-insurance-related service for which a consumer is not
7 indemnified based on a fortuitous event and for which provision
8 of the service does not result in the transfer or shifting of
9 risk that constitutes the business of insurance, including but
10 not limited to any of the following services:

11 a. Security advisories.

12 b. Destination information.

13 c. Vaccination and immunization information services.

14 d. Travel reservation services.

15 e. Entertainment planning.

16 f. Activity and event planning.

17 g. Translation assistance.

18 h. Emergency messaging.

19 i. International legal and medical referrals.

20 j. Medical case monitoring.

21 k. Coordination of transportation arrangements.

22 l. Emergency cash transfer assistance.

23 m. Medical prescription replacement assistance.

24 n. Passport and travel document replacement assistance.

25 o. Lost luggage assistance.

26 p. Concierge services.

27 q. Any other service furnished in connection with planned
28 travel.

29 15. a. *“Travel insurance”* means insurance coverage for
30 personal risks incident to planned travel including all of the
31 following:

32 (1) Interruption or cancellation of a trip or event.

33 (2) Loss of baggage or personal effects.

34 (3) Damage to an accommodation or to a rental vehicle.

35 (4) Sickness, accident, disability, or death occurring

1 during travel.

2 (5) Emergency evacuation.

3 (6) Repatriation of remains.

4 (7) Any other contractual obligation to indemnify or pay a
5 specified amount to a traveler upon a determinable contingency
6 related to travel as established by the commissioner by rule.

7 *b.* "Travel insurance" shall not include a major medical plan
8 that provides comprehensive medical protection for a traveler
9 for a trip that lasts longer than six months, including a
10 traveler who works or resides overseas as an expatriate, or
11 any other product that requires a specific insurance producer
12 license.

13 16. "Travel protection plan" means a product that provides
14 one or more of any of the following:

15 *a.* Travel insurance.

16 *b.* Travel assistance services.

17 *c.* Cancellation fee waivers.

18 17. "Travel retailer" means a business entity that makes,
19 arranges, or offers planned travel and that may offer and
20 disseminate travel insurance as a service to the business's
21 customers on behalf of and under the direction of a limited
22 lines travel insurance producer.

23 **Sec. 3. NEW SECTION. 515K.3 Licensing and registration —**
24 **limited lines travel insurance producers and travel retailers.**

25 1. *a.* The commissioner may issue a limited lines travel
26 insurance producer license to a person that has filed an
27 application for a limited lines travel insurance producer
28 license in the form and manner prescribed by the commissioner
29 by rule.

30 *b.* A limited lines travel insurance producer must be
31 licensed to sell, solicit, or negotiate travel insurance
32 through a licensed insurer. A person shall not act as a
33 limited lines travel insurance producer, or as a travel
34 retailer, unless the person is licensed as a limited lines
35 travel insurance producer or is registered as a travel

1 retailer.

2 2. A travel retailer may offer and disseminate travel
3 insurance under a limited lines travel insurance producer's
4 license only if all of the following conditions are satisfied:

5 a. The travel retailer or the limited lines travel insurance
6 producer provides all of the following to a purchaser of travel
7 insurance:

8 (1) A description of the material terms, or the actual
9 material terms, of the travel insurance coverage.

10 (2) A description of the claim filing process.

11 (3) A description of the review and cancellation process.

12 (4) The identity of, and the contact information for, the
13 insurer and the limited lines travel insurance producer.

14 b. (1) Beginning on the date of licensure, a limited
15 lines travel insurance producer shall establish and maintain a
16 register, in the form and manner prescribed by the commissioner
17 by rule, of each travel retailer that offers travel insurance
18 on behalf of the limited lines travel insurance producer. The
19 register shall include all of the following information:

20 (a) The name, address, and contact information of each
21 travel retailer.

22 (b) The name, address, and contact information of an
23 officer or other individual who directs or controls each travel
24 retailer's operations.

25 (c) Each travel retailer's federal tax identification
26 number.

27 (2) A limited lines travel insurance producer shall submit
28 the register under subparagraph (1) to the commissioner upon
29 the commissioner's reasonable request, and shall certify that
30 the register complies with 18 U.S.C. §1033.

31 (3) Provisions under Title XIII, subtitle 1, that are
32 applicable to the suspension or revocation of a resident
33 insurance producer's license, or to the imposition of penalties
34 on a resident insurance producer, shall be applicable to
35 limited lines travel insurance producers and travel retailers.

1 *c.* The limited lines travel insurance producer has a
2 designated responsible producer.

3 *d.* The designated responsible producer, president,
4 secretary, treasurer, and any other officer or individual
5 who directs or controls the limited lines travel insurance
6 producer's insurance operations has complied with all
7 fingerprinting requirements applicable to insurance producers
8 in this state.

9 *e.* The limited lines travel insurance producer has paid all
10 licensing fees required by state law.

11 *f.* The limited lines travel insurance producer requires
12 each employee and each authorized representative of the travel
13 retailer who offers and disseminates travel insurance to
14 successfully complete a training program that, at a minimum,
15 educates each employee and each authorized representative on
16 the details of each type of insurance offered by the travel
17 retailer, ethical sales practices, and all disclosures that are
18 required to be made to prospective purchasers.

19 3. A travel retailer that offers and disseminates travel
20 insurance shall make brochures or other written materials
21 that have been approved by the travel insurer available
22 to prospective purchasers. The brochures or other written
23 materials shall, at a minimum, do all of the following:

24 *a.* Provide the name, address, and telephone number of the
25 insurer and the limited lines travel insurance producer.

26 *b.* Advise that the purchase of travel insurance by the
27 prospective purchaser is not required in order to purchase any
28 other product or service from the travel retailer.

29 *c.* Explain that a travel retailer that is not licensed as
30 an insurance producer is only permitted to provide general
31 information about travel insurance offered by the travel
32 retailer, including a description of the coverage and price;
33 however, the travel retailer is not qualified or authorized
34 to answer technical questions about the terms and conditions
35 of the travel insurance, or to evaluate the adequacy of the

1 prospective purchaser's existing insurance coverage.

2 4. A travel retailer's employee or authorized
3 representative who is not licensed as an insurance producer
4 shall not do any of the following:

5 a. Evaluate or interpret the technical terms, benefits,
6 or conditions of travel insurance offered to a prospective
7 purchaser.

8 b. Evaluate or provide advice on a prospective purchaser's
9 existing insurance coverage.

10 c. Represent themselves as a licensed insurer, a licensed
11 insurance producer, or as an insurance expert.

12 5. Notwithstanding any other provision of law to the
13 contrary, a travel retailer whose insurance-related activities
14 and the insurance-related activities of the travel retailer's
15 employees and authorized representatives are limited to
16 offering and disseminating travel insurance on behalf of
17 and under the direction of a limited lines travel insurance
18 producer in compliance with this chapter, shall be authorized
19 to receive related compensation if the travel retailer is
20 included in the register maintained by the limited lines travel
21 insurance producer under subsection 2, paragraph "b".

22 6. As an insurer's designee, a limited lines travel
23 insurance producer shall be responsible for the acts of each
24 travel retailer that offers and disseminates travel insurance
25 under the limited lines travel insurance producer's license and
26 shall use reasonable means to ensure that each travel retailer
27 complies with this chapter.

28 7. A person that is licensed as an insurance producer in a
29 major line of authority shall be authorized to sell, solicit,
30 and negotiate travel insurance. A property and casualty
31 insurance producer shall not be required to become appointed
32 by an insurer in order to sell, solicit, or negotiate travel
33 insurance.

34 Sec. 4. NEW SECTION. 515K.4 Travel protection plans.

35 A travel protection plan may be offered in this state at one

1 price for all features included in the travel protection plan
2 if all of the following are true:

3 1. The travel protection plan clearly discloses to the
4 purchaser, at or prior to the time of purchase, that the travel
5 protection plan includes, as applicable, travel insurance,
6 travel assistance services, and cancellation fee waivers.

7 2. A purchaser is provided with an opportunity at or prior
8 to the time of purchase to obtain additional details regarding
9 each feature and the cost of each feature.

10 3. The fulfillment materials provided to the purchaser do
11 all of the following:

12 a. Describe and delineate the travel insurance, travel
13 assistance services, and cancellation fee waivers included in
14 the travel protection plan.

15 b. Include, as applicable, travel insurance disclosures
16 and the contact information for all persons providing travel
17 assistance services and cancellation fee waivers.

18 c. Describe, as applicable, all preexisting condition
19 exclusions included in the travel insurance policy.

20 Sec. 5. NEW SECTION. 515K.5 Sales and marketing practices.

21 1. All persons offering travel insurance to residents of
22 this state shall be subject to sections 507B.3 and 507B.4,
23 except as otherwise provided in this section. In the event of
24 a conflict between this chapter and another provision under
25 Title XIII, subtitle 1, regarding the sale and marketing of
26 travel insurance and travel protection plans, this chapter
27 shall control.

28 2. a. Any document provided to a prospective purchaser
29 prior to the prospective purchaser's purchase of travel
30 insurance, including but not limited to sales, advertising,
31 and marketing materials, shall be consistent with the
32 travel insurance policy, including but not limited to forms,
33 endorsements, policies, rate filings, and certificates of
34 insurance.

35 b. If a travel insurance policy or a travel insurance

1 certificate contains any preexisting condition exclusion, a
2 prospective purchaser shall, any time prior to the time of
3 purchase, be provided an opportunity to learn more about the
4 preexisting condition exclusion. Any preexisting condition
5 exclusion shall also be included in the travel insurance policy
6 or travel insurance certificate fulfillment materials.

7 c. The fulfillment materials and the information described
8 in section 515K.4 shall be provided to a primary policyholder
9 or to a primary certificate holder as soon as practicable
10 following the policyholder's or the certificate holder's
11 purchase of a travel protection plan. From the date of
12 purchase of a travel protection plan, a primary policyholder
13 or a primary certificate holder may cancel the policy or the
14 certificate for a full refund of the purchase price of the
15 travel protection plan until the first occurrence of any of the
16 following:

17 (1) An insured has begun travel that is covered under the
18 travel protection plan.

19 (2) An insured has filed a claim under the travel protection
20 plan.

21 (3) It has been at least fifteen days since the date of
22 delivery via the United States postal service of the travel
23 protection plan's fulfillment materials to the policyholder or
24 the certificate holder.

25 (4) It has been ten or more calendar days following the date
26 of delivery by electronic means, in compliance with chapter
27 505B, of the travel protection plan's fulfillment materials to
28 the policyholder or the certificate holder.

29 d. An insurer shall disclose in the policy documentation
30 and fulfillment materials provided to the purchaser of travel
31 insurance whether the travel insurance is primary or secondary
32 to any other applicable insurance coverage.

33 e. If travel insurance is marketed directly to consumers
34 through an insurer's internet site, or by another person via
35 an aggregator site, it shall not be an unfair trade practice

1 or other violation of law for the insurer or the other person
2 to provide an accurate summary or short description of the
3 available insurance coverage, if all provisions of each
4 available travel insurance policy are easily accessible to
5 consumers via electronic means.

6 3. No person shall offer, solicit, or negotiate travel
7 insurance or a travel protection plan on an individual or group
8 basis through use of a negative option or an opt out that
9 requires a consumer to take an affirmative action to deselect
10 coverage, including but not limited to unchecking a box on an
11 electronic form, if the consumer purchases travel insurance or
12 a travel protection plan.

13 4. It shall be an unfair trade practice pursuant to section
14 507B.3 and section 507B.4 to do any of the following:

15 a. Offer or sell a travel insurance policy that, due to an
16 exclusion or other provisions in the policy, cannot result in
17 payment of any claim made by any insured under the policy.

18 b. Market blanket travel insurance coverage as no cost
19 coverage.

20 5. If a consumer's travel destination is located in a
21 jurisdiction that mandates specific insurance coverage, it
22 shall not be an unfair trade practice to require that the
23 consumer, as a condition of purchasing a travel package, select
24 one of the following options:

25 a. Purchase of the coverage required by the destination
26 jurisdiction through either the travel retailer or the limited
27 lines travel insurance producer that provides the travel
28 package.

29 b. Agree to obtain and provide proof of coverage that
30 meets the destination jurisdiction's requirements prior to the
31 consumer's departure.

32 **Sec. 6. NEW SECTION. 515K.6 Travel administrators.**

33 1. Notwithstanding any provision of Title XIII, subtitle
34 1, to the contrary, a person shall not act as, or represent
35 itself as, a travel administrator for travel insurance in this

1 state unless the person meets at least one of the following
2 requirements:

3 *a.* The person is a licensed property and casualty insurance
4 producer in this state.

5 *b.* The person is in compliance with all laws and regulations
6 that are applicable to managing general agents in this state.

7 *c.* The person is in compliance with all laws and regulations
8 that are applicable to third-party administrators in this
9 state.

10 2. An insurer shall be responsible for the acts of a travel
11 administrator administering travel insurance underwritten by
12 the insurer, and for ensuring that the travel administrator
13 maintains all records related to the insurer and makes the
14 records available to the commissioner upon request of the
15 commissioner.

16 Sec. 7. NEW SECTION. 515K.7 Rates, forms, eligibility, and
17 underwriting.

18 1. Notwithstanding any provision of Title XIII, subtitle 1,
19 to the contrary, travel insurance shall be classified and filed
20 for purposes of rates and forms under an inland marine line of
21 insurance provided that travel insurance that provides coverage
22 for sickness, accident, disability or death occurring during
23 travel, either exclusively, or in conjunction with related
24 coverages of emergency evacuation or repatriation of remains,
25 or incidental limited property and casualty benefits such as
26 baggage or trip cancellation, may be filed under either an
27 accident and health line of insurance or an inland marine line
28 of insurance.

29 2. Travel insurance may be issued in the form of an
30 individual insurance policy, a group travel insurance policy,
31 or a blanket travel insurance policy.

32 3. Eligibility and underwriting standards for travel
33 insurance may be developed and provided based on travel
34 protection plans designed for individual or identified
35 marketing or distribution channels, provided that the standards

1 also meet the state's underwriting standards for the line of
2 insurance.

3 **Sec. 8. NEW SECTION. 515K.8 Tax on gross premiums.**

4 1. An insurer that offers travel insurance shall pay tax
5 on gross premiums, as provided in section 432.1, on travel
6 insurance premiums paid by any of the following:

7 *a.* A primary policyholder who is a resident of this state.

8 *b.* A primary certificate holder who is a resident of this
9 state.

10 *c.* A blanket travel insurance policyholder that is a
11 resident of this state, or that has the policyholder's
12 principal place of business or the principal place of business
13 of an affiliate or subsidiary that has purchased blanket
14 travel insurance in this state for eligible blanket group
15 members, subject to any apportionment rules that apply to the
16 insurer across multiple taxing jurisdictions, or that permit
17 the insurer to allocate premiums on an apportioned basis in a
18 reasonable and equitable manner in those taxing jurisdictions.

19 2. An insurer that offers travel insurance shall do all of
20 the following:

21 *a.* Document the state of residence or the state of the
22 principal place of business of the primary policyholder or
23 primary certificate holder.

24 *b.* Report as premiums only the amount allocable to travel
25 insurance, and not report any amounts received from travel
26 assistance services or cancellation fee waivers.

27 **Sec. 9. NEW SECTION. 515K.9 Applicability.**

28 1. This chapter shall apply to travel insurance that covers
29 any resident of this state, and travel insurance that is sold,
30 solicited, negotiated, or offered in this state, and to any
31 travel insurance policy or certificate that is delivered or
32 issued for delivery in this state. This chapter shall not
33 apply to cancellation fee waivers or to travel assistance
34 services except as expressly provided in this chapter.

35 2. All applicable provisions of Title XIII, subtitle 1,

1 shall apply to travel insurance except that specific provisions
2 of this chapter shall supersede any general provisions of Title
3 XIII, subtitle 1, that are otherwise applicable to travel
4 insurance.

5 Sec. 10. NEW SECTION. 515K.10 Rules.

6 The commissioner may adopt rules pursuant to chapter 17A as
7 necessary to implement and administer this chapter.

8 EXPLANATION

9 The inclusion of this explanation does not constitute agreement with
10 the explanation's substance by the members of the general assembly.

11 This bill is related to the sale of travel insurance and
12 travel protection plans.

13 The bill permits the commissioner of insurance
14 (commissioner) to issue a limited lines travel insurance
15 producer (travel insurance producer) license to a person that
16 files an application in the form and manner prescribed by the
17 commissioner. A travel insurance producer must be licensed
18 to sell, solicit, or negotiate travel insurance through a
19 licensed insurer. "Travel insurance" is defined in the bill.
20 A person shall not act as a travel insurance producer, or as a
21 travel retailer (retailer), unless the person is licensed as
22 a travel insurance producer or is registered as a retailer.
23 "Travel retailer" is defined in the bill. A retailer may offer
24 and disseminate travel insurance under a travel insurance
25 producer's license only if all of the conditions as detailed
26 in the bill are satisfied. "Offer and disseminate" is defined
27 in the bill.

28 The bill requires that a retailer that offers and
29 disseminates travel insurance make brochures or other written
30 materials that have been approved by the travel insurer, and
31 that meet the requirements as detailed in the bill, available
32 to prospective purchasers. The bill provides that a retailer's
33 employee or authorized representative who is not licensed as
34 an insurance producer shall not evaluate or interpret the
35 technical terms, benefits, or conditions of travel insurance

1 offered to a prospective purchaser; evaluate or provide advice
2 on a prospective purchaser's existing insurance coverage; or
3 hold oneself out as a licensed insurer, a licensed insurance
4 producer, or an insurance expert. The bill provides that as
5 an insurer's designee, a travel insurance producer shall be
6 responsible for the acts of each retailer that offers and
7 disseminates travel insurance under the travel insurance
8 producer's license, and shall use reasonable means to ensure
9 that each retailer complies with the applicable requirements
10 in the bill.

11 Under the bill, a person that is licensed in a major line
12 of authority as an insurance producer shall be authorized to
13 sell, solicit, and negotiate travel insurance. A property and
14 casualty insurance producer shall not be required to become
15 appointed by an insurer in order to sell, solicit, or negotiate
16 travel insurance.

17 Travel protection plans (plan) may be offered in the state
18 at one price for all features included in the plan if the
19 requirements detailed in the bill are satisfied. All persons
20 offering travel insurance to residents of this state shall
21 be subject to Code sections 507B.3 and 507B.4, except as
22 otherwise provided in the bill. The bill requires that any
23 document provided to a prospective purchaser prior to the
24 purchaser's purchase of travel insurance, including but not
25 limited to sales, advertising, and marketing materials, is
26 consistent with the travel insurance policy, including but not
27 limited to forms, endorsements, policies, rate filings, and
28 certificates of insurance. If a travel insurance policy or a
29 travel insurance certificate contains any preexisting condition
30 exclusion, a prospective purchaser shall, at any time prior to
31 the time of purchase, be provided an opportunity to learn more
32 about the exclusion. Any preexisting condition exclusion shall
33 also be included in the travel insurance policy or the travel
34 insurance certificate fulfillment materials. "Fulfillment
35 materials" is defined in the bill.

1 The bill allows a primary policyholder or a primary
2 certificate holder, from the date of purchase of a plan, to
3 cancel the policy or certificate, as described in the bill,
4 for a full refund of the purchase price of the plan. "Primary
5 policyholder" and "primary certificate holder" are defined in
6 the bill. An insurer is required to disclose in the policy
7 documentation and fulfillment materials provided to the
8 purchaser of travel insurance whether the travel insurance
9 is primary or secondary to any other applicable insurance
10 coverage.

11 If travel insurance is marketed directly to consumers
12 through an insurer's internet site, or by another person via
13 an aggregator site, it shall not be an unfair trade practice
14 or other violation of law for the insurer or the other person
15 to provide an accurate summary or short description of the
16 available insurance coverage, if all provisions of each
17 available travel insurance policy are easily accessible to
18 consumers via electronic means. "Aggregator site" is defined
19 in the bill. The bill prohibits a person from offering,
20 soliciting, or negotiating travel insurance or a plan on an
21 individual or group basis through use of a negative option or
22 opt out that requires a consumer to take affirmative action to
23 deselect coverage if the consumer purchases travel insurance or
24 a plan. The bill provides that it is an unfair trade practice
25 under Code sections 507B.3 and 507B.4 to offer or sell a travel
26 insurance policy that, due to exclusions of other provisions in
27 the policy, cannot result in payment of any claim made by any
28 insured under the policy; or to market blanket travel insurance
29 coverage as no cost coverage. "Blanket travel insurance" is
30 defined in the bill as a policy of travel insurance issued to
31 any eligible group that provides coverage for specific classes
32 of persons as defined in the policy, with coverage provided to
33 all members of the eligible group without a separate charge to
34 individual members of the eligible group. "Eligible group" is
35 also defined in the bill.

1 If a consumer's travel destination is located in a
2 jurisdiction that mandates specific insurance coverage, the
3 bill provides that it is not an unfair trade practice to
4 require that the consumer, as a condition of purchasing a
5 travel package, either purchase the coverage required by
6 the jurisdiction through either the retailer or the travel
7 insurance producer that provides the travel package, or
8 agree to obtain and provide proof of coverage that meets the
9 jurisdiction's requirements prior to the consumer's departure.

10 Notwithstanding any other provisions of Code Title XIII,
11 subtitle 1, a person shall not act as or represent itself as,
12 a travel administrator for travel insurance in this state
13 unless the person is a licensed property and casualty insurance
14 producer in this state, or is in compliance with all laws and
15 regulations that are applicable to managing general agents
16 or to third-party administrators in this state. "Travel
17 administrator" is defined in the bill. The bill provides
18 that an insurer is responsible for the acts of a travel
19 administrator administering travel insurance underwritten by
20 the insurer, and for ensuring that the travel administrator
21 maintains all records related to the insurer.

22 Notwithstanding any provision of Code Title XIII, subtitle
23 1, to the contrary, travel insurance shall be classified
24 and filed for purposes of rates and forms as detailed in
25 the bill. Travel insurance may be issued in the form of an
26 individual, group, or blanket policy. "Group travel insurance"
27 is defined in the bill. Eligibility and underwriting standards
28 for travel insurance may be developed and provided based on
29 travel protection plans designed for individual or identified
30 marketing or distribution channels, provided the standards also
31 meet the state's underwriting standards for the inland marine
32 line of insurance. An insurer that offers travel insurance
33 shall pay tax on travel insurance premiums as detailed in the
34 bill.

35 The bill applies to travel insurance that covers any

1 resident of this state and to travel insurance that is sold,
2 solicited, negotiated, or offered in this state, and to any
3 travel insurance policy or certificate that is delivered or
4 issued for delivery in this state. The bill does not apply
5 to cancellation fee waivers or to travel assistance services
6 except as expressly provided in the bill. "Cancellation fee
7 waivers" and "travel assistance services" are defined in the
8 bill. All applicable provisions of Code Title XIII, subtitle
9 1, shall apply to travel insurance except that specific
10 provisions of the bill shall supersede any general provisions
11 of Code Title XIII, subtitle 1, that are otherwise applicable
12 to travel insurance.

13 The commissioner may adopt rules as necessary to implement
14 and administer the bill.