

**H. B. 4487**

(By Delegates Hartman, Perry, Sponaugle  
and Campbell )

[Introduced February 12, 2014; referred to the  
Committee on Banking and Insurance then the Judiciary.]

A BILL to amend the Code of West Virginia, 1931, as amended, by  
adding thereto a new section, designated §33-12-32b, relating  
to travel insurance limited lines producers; defining terms;  
authorizing the Insurance Commissioner to issue a limited  
lines travel insurance producer license; authorizing a travel  
retailer to offer travel insurance under a limited lines  
travel insurance producer business entity license under  
certain conditions; requiring a limited lines travel insurance  
producer to maintain a register of travel retailers offering  
insurance on its behalf and to designate one of its employees  
as a designated responsible producer; requiring instruction or  
training of employees offering travel insurance on behalf of  
a limited lines travel insurance producer; providing  
exemptions from examination and continuing education  
requirements; requiring travel retailers offering travel

1 insurance to make available written materials to prospective  
2 purchasers; prohibiting travel retailer employees who are not  
3 licensed as insurance producers from providing certain  
4 information; authorizing a travel retailer and its employees  
5 to offer travel insurance and to be compensated upon  
6 registration by the limited lines travel insurance producer;  
7 and providing for enforcement.

8 *Be it enacted by the Legislature of West Virginia:*

9 That the Code of West Virginia, 1931, as amended, be amended  
10 by adding thereto a new section, designated §33-12-32b, to read as  
11 follows:

12 **ARTICLE 12. INSURANCE PRODUCERS AND SOLICITORS.**

13 **§33-12-32b. Travel Insurance Producer Limited License Act.**

14 (a) Short title. -- This section shall be known as the "Travel  
15 Insurance Producer Business Entity Limited License Act."

16 (b) Definitions. -- The following words when used in this  
17 section have the following meanings:

18 (1) A "group property travel insurance policy" means the  
19 policy issued to:

20 (A) Any railroad company, steamship company, carrier by air,  
21 public bus carrier, or other common carrier of passengers, which  
22 is deemed the policyholder, where the policy insures its  
23 passengers; or

1       (B) Any other group where the commissioner has determined in  
2 a rule that the members are engaged in a common enterprise, or have  
3 an economic or social affinity or relationship, and that the  
4 issuance of the policy would not be contrary to the best interests  
5 of the public.

6       (2) "Limited lines travel business entity insurance producer"  
7 means a licensed limited lines travel business entity insurance  
8 producer designated by an insurer as the travel insurance  
9 supervising entity as set forth in subsection (f) of this section.

10       (3) "Offer and disseminate" means providing general  
11 information, including a description of the coverage and price, as  
12 well as processing the application, collecting premiums, and  
13 performing other activities permitted by the state without a  
14 license.

15       (4) "Travel insurance" means insurance coverage for personal  
16 risks incident to planned travel, including but not limited to:

17       (A) Interruption or cancellation of trip or event;

18       (B) Loss of baggage or personal effects;

19       (C) Damages to accommodations or rental vehicles; or

20       (D) Sickness, accident, disability or death occurring during  
21 travel.

22       Travel insurance does not include major medical plans which  
23 provide comprehensive medical protection for travelers with trips

1 lasting six months or longer, including but not limited to, those  
2 working overseas as an ex-patriot or military personnel being  
3 deployed.

4 (5) "Travel retailer" means a business entity that makes,  
5 arranges or offers travel services and may offer and disseminate  
6 travel insurance as a service to its customers on behalf of and  
7 under the direction of a limited lines travel insurance producer  
8 business entity licensee.

9 (c) Requirements. -- Notwithstanding any other provision of  
10 law:

11 (1) Notwithstanding any other provision of this chapter, the  
12 commissioner may issue to a person that has met the requirements of  
13 this section a limited lines travel insurance business entity  
14 producer license authorizing the business entity to sell, solicit  
15 or negotiate travel insurance through a licensed insurer.  
16 Application for a limited lines travel insurance business entity  
17 producer license shall be made on a form and in a manner prescribed  
18 by the commissioner. The fee for a limited lines travel insurance  
19 producer business entity license is \$200. A person may only be  
20 issued a limited lines insurance business entity producer license  
21 under this section.

22 (2) A travel retailer may offer and disseminate travel  
23 insurance under a limited lines travel insurance business entity

1 producer ("licensed business entity") license only if the following  
2 conditions are met:

3 (A) The travel retailer provides to purchasers of travel  
4 insurance:

5 (i) A description of the material terms or the actual material  
6 terms of the insurance coverage;

7 (ii) A description of the process for filing a claim;

8 (iii) A description of the review or cancellation process for  
9 the travel insurance policy; and

10 (iv) The identity and contact information of the insurer and  
11 the limited lines travel insurance business entity producer.

12 (B) At the time of licensure, the limited lines travel  
13 insurance business entity producer shall establish and maintain a  
14 register on a form prescribed by the commissioner of each travel  
15 retailer that offers travel insurance on behalf of the limited  
16 lines travel insurance business entity producer. The register  
17 shall be updated annually by the limited lines travel insurance  
18 business entity producer and shall include the name, address, and  
19 contact information of the travel retailer and an officer or person  
20 who directs or controls the travel retailer's operations, and the  
21 travel retailer's federal tax identification number. The limited  
22 lines travel insurance business entity producer shall submit the  
23 register to the commissioner within thirty days upon request. The

1 limited lines travel insurance business entity producer shall also  
2 certify that the travel retailer register complies with 18 USC  
3 1033.

4 (C) The limited lines travel insurance business entity  
5 producer has designated one of its employees who is a licensed  
6 individual producer as the designated responsible producer  
7 responsible for the limited lines travel insurance business entity  
8 producer's compliance with the travel insurance laws and rules of  
9 the state.

10 (D) The designated responsible producer, president, secretary,  
11 treasurer, and any other officer or person who directs or controls  
12 the limited lines travel insurance business entity producer's  
13 insurance operations comply with the fingerprinting requirements  
14 applicable to insurance producers in the resident state of the  
15 limited lines travel insurance business entity producer.

16 (E) The limited lines travel insurance business entity  
17 producer has paid all applicable insurance producer business entity  
18 licensing fees set forth in state law.

19 (F) The limited lines travel insurance business entity  
20 producer requires each employee and authorized representative of  
21 the travel retailer whose duties include offering and disseminating  
22 travel insurance to receive a program of instruction or training,  
23 which the commissioner may review and approve or disapprove. The

1 training material shall, at a minimum, contain instructions on the  
2 types of insurance offered, ethical sales practices, and required  
3 disclosures to prospective customers.

4 (3) A limited lines travel insurance business entity producer,  
5 and those registered under its license, are exempt from the  
6 examination requirements under section five of this article and the  
7 continuing education requirements under section eight of this  
8 article.

9 (4) Any travel retailer offering or disseminating travel  
10 insurance shall make available to prospective purchasers brochures  
11 or other written materials that:

12 (A) Provide the identity and contact information of the  
13 insurer and the limited lines travel insurance producer;

14 (B) Explain that the purchase of travel insurance is not  
15 required in order to purchase any other product or service from the  
16 travel retailer; and

17 (C) Explain that an unlicensed travel retailer is permitted to  
18 provide general information about the insurance offered by the  
19 travel retailer, including a description of the coverage and price,  
20 but is not qualified or authorized to answer technical questions  
21 about the terms and conditions of the insurance offered by the  
22 travel retailer or to evaluate the adequacy of the customer's  
23 existing insurance coverage.

1       (5) A travel retailer's employee or authorized representative  
2 who is not licensed as an insurance producer may not:

3       (A) Evaluate or interpret the technical terms, benefits, and  
4 conditions of the offered travel insurance coverage;

5       (B) Evaluate or provide advice concerning a prospective  
6 purchaser's existing insurance coverage; or

7       (C) Hold himself or herself out as a licensed insurer,  
8 licensed producer, or insurance expert.

9       (6) A licensee under this section is subject to the provisions  
10 of section six-b of this article as if it were an insurance agency.

11       (7) The commissioner may, in his or her discretion, fix the  
12 dates of expiration for limited lines travel insurance business  
13 entity producer licenses in any manner as is considered by him or  
14 her to be advisable for an efficient distribution of the work load  
15 of his or her office. If the expiration date so fixed would upon  
16 first occurrence shorten the period for which license fee has  
17 theretofore been paid, no refund of unearned fee shall be made; and  
18 if the expiration date so fixed would upon first occurrence  
19 lengthen the period for which license fee had theretofore been  
20 paid, the commissioner shall charge no additional fee for the  
21 lengthened period. If another date is not so fixed by the  
22 commissioner, each license shall, unless continued as herein above  
23 provided, expire at midnight on June 30 next following the date of



1 issuance. The commissioner shall renew annually on the date as  
2 provided in this section the license of the licensee who qualifies  
3 and makes application therefor, and has paid the fees set forth in  
4 this section.

5 (8)A limited lines travel insurance business entity producer  
6 who allows its license to lapse may, within twelve months from the  
7 due date of the renewal fee, reinstate the same license. However,  
8 a penalty in the amount of \$50 shall be required for any renewal  
9 fee received after the due date.

10 (d) A limited lines travel insurance business entity producer  
11 may not act as an agent of an insurer unless the limited lines  
12 travel insurance business entity producer becomes an appointed  
13 agent of that insurer.

14 (1) To appoint a limited lines travel insurance business  
15 entity producer as its agent, the appointing insurer shall file, in  
16 a format approved by the Insurance Commissioner, a notice of  
17 appointment within fifteen days from the date the agency contract  
18 is executed. An insurer may also elect to appoint a limited lines  
19 travel insurance business entity producer to all or some insurers  
20 within the insurer's holding company system or group by the filing  
21 of a single appointment request.

22 (2) Upon receipt of the notice of appointment, the Insurance  
23 Commissioner shall verify within a reasonable time not to exceed

1 thirty days that the limited lines travel insurance business entity  
2 producer is eligible for appointment. If the limited lines travel  
3 insurance business entity producer is determined to be ineligible  
4 for appointment, the Insurance Commissioner shall notify the  
5 insurer within five days of its determination.

6 (3) An insurer shall pay a nonrefundable appointment  
7 processing fee, in the amount of \$25 for each appointment  
8 notification submitted by the insurer to the commissioner.

9 (4) An insurer shall remit, in a manner prescribed by the  
10 Insurance Commissioner, a renewal appointment fee in the amount of  
11 \$25 no later than midnight on May 31 annually.

12 (5) Each insurer shall maintain a current list of limited  
13 lines travel insurance business entity producers appointed to  
14 accept applications on behalf of the insurer. Each insurer shall  
15 make a list available to the commissioner upon reasonable request  
16 for purposes of conducting investigations and enforcing the  
17 provisions of this chapter.

18 (e) Registration. -- Notwithstanding any other provision of  
19 law, a travel retailer whose insurance-related activities, and  
20 those of its employees and authorized representatives, are limited  
21 to offering and disseminating travel insurance on behalf of and  
22 under the direction of a limited lines travel insurance business  
23 entity producer meeting the conditions stated in this section, is

1 authorized to do so and to receive related compensation for those  
2 services, upon registration by the limited lines travel insurance  
3 business entity producer as described in paragraph B, subdivision  
4 (2), subsection (c) of this section.

5 (f) Policy. -- Travel insurance may be provided under an  
6 individual policy or under a group or master policy.

7 (g) Responsibility. -- As the insurer designee, the limited  
8 lines travel insurance business entity producer is responsible for  
9 the acts of the travel retailer offering and disseminating travel  
10 insurance under the limited lines travel insurance business entity  
11 producer license and shall use reasonable means to ensure  
12 compliance by the travel retailer with this chapter.

13 (h) Enforcement. -- If a travel retailer or its employee  
14 violates any provision of this section, the Insurance Commissioner  
15 may do any of the following:

16 (1) After notice and hearing, impose fines not to exceed \$500  
17 per violation or \$5,000 in the aggregate for the conduct.

18 (2) After notice and hearing, impose other or additional  
19 penalties that the commissioner deems necessary and reasonable to  
20 carry out the purpose of this article, including:

21 (A) Suspending or revoking the privilege of offering and  
22 disseminating travel insurance pursuant to this section at specific  
23 business retailers or business retail locations where violations

1 have occurred;

2 (B) Suspending or revoking the ability of individual employees  
3 to act under this section; or

4 (C) Placing the individual or entity on probation under terms  
5 and conditions as prescribed by the commissioner.

6 (i) If a limited lines travel insurance business entity  
7 producer is determined by the Insurance Commissioner to have not  
8 performed its required duties under this section or has otherwise  
9 violated any provision of this section, it is subject to the  
10 administrative actions set forth in section twenty-four of this  
11 article.

12 (j) Effective date. -- This section shall take effect ninety  
13 days after enactment.

NOTE: The purpose of this bill is to authorize the Insurance Commissioner to issue a limited lines travel insurance producer license to a business entity and to allow travel retailers and their employees to offer and disseminate travel insurance under the limited lines travel insurance business entity producer license.

This section is new; therefore, it has been completely underscored.