

2013 DRAFTING REQUEST

Bill

Received: 7/18/2013 Received By: pkahler
Wanted: As time permits Same as LRB:
For: Scott Krug (608) 266-0215 By/Representing: Randy Thorson
May Contact: Drafter: pkahler
Subject: Insurance - other insurance Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Rep.Krug@legis.wisconsin.gov
Carbon copy (CC) to: Tamara.Dodge@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Licensing limited lines travel insurance producers

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 9/11/2013	jdyer 9/17/2013	rschluet 9/17/2013	_____			
/P1	pkahler 10/11/2013			_____	lparisi 9/17/2013		
/P2	pkahler 12/11/2013	jdyer 10/11/2013	jfrantze 10/11/2013	_____	mbarman 10/11/2013		
/1		jdyer	rschluet	_____	srose	lparisi	State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
		12/13/2013	12/13/2013	_____	12/13/2013	12/13/2013	

FE Sent For:

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intro

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May Contact: Drafter: pkahler
Subject: Insurance - other insurance Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Rep.Jagler@legis.wisconsin.gov
Carbon copy (CC) to: Tamara.Dodge@legis.wisconsin.gov

Pre Topic:

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Topic:

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Instructions:

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/P2		jdye 10/11/2013	jfrantze 10/11/2013	_____	mbarman 10/11/2013		

2/13/13

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/?	pkahler 9/11/2013	jdye 9/17/2013	rschluet 9/17/2013	_____			
/P1		<i>PZ 10/11 jld</i>	<i>[Signature]</i>	_____	lparisi 9/17/2013		

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/?	pkahler	PI 9/17 jcd	J 9/17/13	_____	_____		

FE Sent For:

<END>

Kahler, Pam

From: Florian, Mark
Sent: Thursday, July 11, 2013 9:25 AM
To: Kahler, Pam
Subject: Bill Draft Request: Establish a limited lines travel insurance producer licensure system
Attachments: MO SB324.pdf; Mo SB 324- Truly Agreed and Finally Passed Summary.doc

Hello Pam,

Rep. Jagler would like to request a bill draft for legislation that establishes a limited lines travel insurance producer licensure system, just as Missouri SB 324 (attached w/ summary) does. The Representative would like a draft that emulates the Missouri legislation. I saw that insurance was one of your subject areas of expertise and figured that you would be the appropriate attorney to receive this request. This request is confidential and is not urgent.

Please let me know if you have any questions or if you would like to set up a meeting in order to clarify the intent of the draft.

Thanks and all the best,

Mark

Mark Florian
Office of Representative John Jagler
37th Assembly District
(608) 266-9650

Kahler, Pam

From: Florian, Mark
Sent: Thursday, August 22, 2013 2:39 PM
To: Kahler, Pam
Cc: scott@stengergov.com
Subject: FW: Conference Call for Friday, 8/23 at 2pm CST re WI Travel Insurance Issues

Good afternoon Pam,

Below you will find a call in number for the travel insurance draft discussion tomorrow at 2PM. If you have any issues joining in on the call please let me know.

Thanks again and all the best,

Mark

Mark Florian
Office of Representative John Jagler
37th Assembly District
(608) 266-9650

-----Original Message-----

From: Scott Stenger [<mailto:scott@stengergov.com>]
Sent: Thursday, August 22, 2013 1:55 PM
To: Florian, Mark
Cc: Kelsey Gockenbach
Subject: FW: Conference Call for Friday, 8/23 at 2pm CST re WI Travel Insurance Issues

Mark -

We have a call in number for the call tomorrow - can you please share with Pam. Thanks

-----Original Message-----

From: Seiner, Randy [<mailto:Randy.Seiner@aig.com>]
Sent: Thursday, August 22, 2013 1:50 PM
To: 'scott@stengergov.com'; 'jfielding@steptoe.com'
Cc: Seiner, Randy
Subject: Conference Call for Friday, 8/23 at 2pm CST re WI Travel Insurance Issues

Scott/John:

Here is a conference call number we can all use for our discussion with Pam Kahler from the LRB tomorrow. Scott, I don't have her email in front of me, so could you kindly forward this call in information to Ms. Kahler and confirm her receipt? Thanks!

Date: Friday 8/23
Time: 2PM CST

Dial In Number:
888-535-6454

Participant Code: 8484396

Host code (Seiner) - 7339

Looking forward to our discussion tomorrow at 2pm CST. RLS

Randy Seiner

Sr State Relations Officer

Group Legal and Regulatory Division

AIG, Inc

913-522-4711

randy.seiner@aig.com

See
A. 628.02 (1)(6)8
A. 628.31

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 324

97TH GENERAL ASSEMBLY

2013

1622S.02T

AN ACT

To amend chapter 375, RSMo, by adding thereto one new section relating to limited lines travel insurance producer licensing.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 375, RSMo, is amended by adding thereto one new section, to be known as section 375.159, to read as follows:

375.159. 1. As used in this section, the following terms shall mean:

(1) "Limited lines travel insurance producer", a:

(a) Licensed managing general agent as provided by sections 375.147 to 375.153; or

(b) Licensed insurance producer as provided by chapter 375; designated by the insurer as the travel insurance supervising entity as set forth in subsection 5 of this section below;

(2) "Offer and disseminate", provide general information, including a description of the coverage and price, as well as process the application, collect premiums, and perform other non-licensable activities permitted by the state;

(3) "Travel insurance", insurance coverage for personal risks incident to planned travel, including, but not limited to:

(a) Interruption or cancellation of trip or event;

(b) Loss of baggage or personal effects;

(c) Damages to accommodations or rental vehicles; or

(d) Sickness, accident, disability, or death occurring during travel.

Travel insurance does not include major medical plans, which provide comprehensive medical protection for travelers with trips lasting six months or longer, including, for example, those persons working

*"business entity" in law
must be travel
retailer*

23 overseas as expatriates or military personnel being deployed;
24 (4) "Travel retailer", a business entity that makes, arranges, or
25 offers travel services and may offer and disseminate travel insurance
26 as a service to its customers on behalf of and under the direction of a
27 limited lines travel insurance producer.

28 2. Notwithstanding any other provision of law:

29 (1) A travel retailer may offer and disseminate travel insurance
30 on behalf of and under the control of a limited lines travel insurance
31 producer only if the following conditions are met:

32 (a) The limited lines travel insurance producer or travel retailer
33 provides to purchasers of travel insurance:

34 a. A description of the material terms or the actual material
35 terms of the insurance coverage;

36 b. A description of the process for filing a claim;

37 c. A description of the review or cancellation process for the
38 travel insurance policy; and

39 d. The identity and contact information of the insurer and
40 limited lines travel insurance producer;

41 (b) At the time of licensure, the limited lines travel insurance
42 producer shall establish and maintain a register on a form prescribed
43 by the director of each travel retailer that offers travel insurance on
44 the limited lines travel insurance producer's behalf. The register shall
45 be maintained and updated annually by the limited lines travel
46 insurance producer and shall include the name, address, and contact
47 information of the travel retailer and an officer or person who directs
48 or controls the travel retailer's operations, and the travel retailer's
49 federal tax identification number. The limited lines travel insurance
50 producer shall submit such register within thirty days upon request by
51 the department. The limited lines travel insurance producer shall also
52 certify that the travel retailer register complies with 18 U.S.C. 1033;

Commissioner?

OCI?

*Dr
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53 (c) The limited lines travel insurance producer has designated
54 one of its employees who is a licensed individual producer as a person
55 responsible for the business entity's compliance with the travel
56 insurance laws, rules, and regulations of this state;

57 (d) The designated person under paragraph (c) of this
58 subdivision, president, secretary, treasurer, and any other officer or
59 person who directs or controls the limited lines travel insurance

60 producer's insurance operations complies with the fingerprinting
61 requirements applicable to insurance producers in the resident state
62 of the business entity;

63 (e) The limited lines travel insurance producer has paid all
64 applicable insurance producer licensing fees as set forth in applicable
65 state law;

66 (f) The limited lines travel insurance producer requires each
67 employee and authorized representative of the travel retailer whose
68 duties include offering and disseminating travel insurance to receive
69 a program of instruction or training, which may be subject to review
70 by the director. The training material shall, at a minimum, contain
71 instructions on the types of insurance offered, ethical sales practices,
72 and required disclosures to prospective customers;

73 (2) Any travel retailer offering or disseminating travel insurance
74 shall make available to prospective purchasers brochures or other
75 written materials that:

76 (a) Provide the identity and contact information of the insurer
77 and the limited lines travel insurance producer;

78 (b) Explain that the purchase of travel insurance is not required
79 to purchase any other product or service from the travel retailer; and

80 (c) Explain that an unlicensed travel retailer is permitted to
81 provide general information about the insurance offered by the travel
82 retailer, including a description of the coverage and price, but is not
83 qualified or authorized to answer technical questions about the terms
84 and conditions of the insurance offered by the travel retailer or to
85 evaluate the adequacy of the customer's existing insurance coverage;

86 (3) A travel retailer's employee or authorized representative,
87 who is not licensed as an insurance producer, may not:

88 (a) Evaluate or interpret the technical terms, benefits, and
89 conditions of the offered travel insurance coverage;

90 (b) Evaluate or provide advice concerning a prospective
91 purchaser's existing insurance coverage; or

92 (c) Hold themselves or itself out as a licensed insurer, licensed
93 producer, or insurance expert.

94 3. Notwithstanding any other provision of law, a travel retailer
95 whose insurance-related activities, and those of its employees and
96 authorized representatives, are limited to offering and disseminating

*travel
retailer*

?

*2 different things
you don't have to purchase travel ins.*

97 travel insurance on behalf of and under the direction of a limited lines
98 travel insurance producer meeting the conditions stated in this section,
99 is authorized to do so and receive related compensation, upon
100 registration by the limited lines travel insurance producer as described
101 in paragraph (b) of subdivision (1) of subsection 2 of this section.

102 4. Travel insurance may be provided under an individual policy
103 or under a group or master policy.

104 5. As the insurer designee, the limited lines travel insurance
105 producer is responsible for the acts of the travel retailer and shall use
106 reasonable means to ensure compliance by the travel retailer with this
107 section.

108 6. The limited lines travel insurance producer and any travel
109 retailer offering and disseminating travel insurance under the limited
110 lines travel insurance producer license shall be subject to the
111 provisions of chapters 374 and 375, except as provided for in this
112 section.

> what
is
comparable

113 7. The director may promulgate rules to effectuate this
114 section. Any rule or portion of a rule, as that term is defined in section
115 536.010 that is created under the authority delegated in this section
116 shall become effective only if it complies with and is subject to all of
117 the provisions of chapter 536, and, if applicable, section 536.028. This
118 section and chapter 536 are nonseverable and if any of the powers
119 vested with the general assembly pursuant to chapter 536, to review, to
120 delay the effective date, or to disapprove and annul a rule are
121 subsequently held unconstitutional, then the grant of rulemaking
122 authority and any rule proposed or adopted after August 28, 2013, shall
123 be invalid and void.

✓

Truly Agreed and Finally Passed Summary - Missouri SB 324

This bill allows the Director of the Department of Insurance, Financial Institutions and Professional Registration to issue an individual or business entity that has complied with specified requirements a limited lines travel insurance producer license that authorizes the producer to sell, solicit, or negotiate travel insurance through a licensed insurer. Travel insurance may be provided under an individual or a group or master policy.

An application must be filed with the department director in a form and manner prescribed by the department director. The department director may make rules to enforce the provisions of the bill.

A travel retailer must make available to prospective purchasers brochures or other written materials that provide the identity and contact information of the insurer and the limited lines travel insurance producer; explain that the purchase of travel insurance is not required to purchase any other product or service from the travel retailer; and explain that an unlicensed travel retailer is permitted to provide general information about the insurance offered by the travel retailer, including a description of the coverage and price, but is not qualified or authorized to answer technical questions about the terms and conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the customer's existing insurance coverage. A travel retailer's employee or authorized representative may not engage in specified practices such as holding himself or herself out as a licensed insurer, licensed

for what?

producer, or insurance expert or evaluating or providing
advice
concerning insurance coverage.
As the insurer designee, the limited lines travel insurance
producer is responsible for the acts of the travel retailer
and
must use reasonable means to ensure compliance by the
retailer
with these provisions. The limited lines travel insurance
producer and any travel retailer selling travel insurance
under
the limited lines travel insurance producer license are
subject
to all provisions of Chapter 374 and 375, RSMo, except as
provided in the bill.

John Fielding
 Scott Stegner
~~Scott~~
 Randy Seiner

conference call

limited lines
 travel insurance: overview
 problems with
 licensed as "producer" (agent)

NAIC uniform licensing standards
 NCOIL also adopted a model

travel agent = retailer they are registered under
 the licensed producers

travel ins. producer → limited lines license

allow travel agencies to operate under license of
 agent (not to have to be licensed
 themselves)

don't have to be licensed as agent

change in Wis → retailers subject to registration, not
 license

not really a producer licensing system,
 but a retailer registration
 system

Kahler, Pam

From: Matt Phillips <matt@stengergov.com>
Sent: Wednesday, August 28, 2013 11:55 AM
To: Kahler, Pam
Subject: Email from LRB Website
Attachments: Travel Insurance Language.doc

Pam:

Scott Stenger asked me to forward to you the following document regarding travel insurance. Please feel free to contact Scott directly, or myself if you have any questions.

Thank you,

Matt Phillips

Stenger Government Relations, LLC
44 East Mifflin Street, Suite 600
Madison, WI 53703
Phone: (608) 287-0403
Cell: (608) 630-0912
Fax: (608) 287-0414
Email: matt@stengergov.com

WISCONSIN
(Draft 1/23/13)

W.S.A. § 628.03(1) requires licensure in order to “perform, offer to perform or advertise any service as an intermediary” in Wisconsin. An “intermediary” is a person who “solicits, negotiates or places insurance or annuities on behalf of an insurer or a person seeking insurance or annuities” or “advises other persons about insurance needs and coverages.” (W.S.A. § 628.02(1)(a)).

Exclude them - not define as included

However, excluded from the definition of intermediary are, among others, representatives of common carriers who sell “only over-the-counter, short-term travel accident ticket policies and baggage insurance.” (W.S.A. § 628.02(1)(b)8). This may be a place where we may wish to define “travel retailer”.

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Wis. Admin. Code Ins. § 6.50(2)(b)5 currently includes travel insurance as a limited line of insurance coverage, which is defined as “insurance for trip cancellation, trip interruption, baggage, life, sickness and accident, disability and personal effects when limited to a specific trip and sold in connection with transportation provided by a common carrier.” Although this is similar to the NCOIL Model, for consistency and clarity, we may want to modify this definition of travel insurance.

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Wisconsin specifically exempts persons holding limited line travel licenses from examination requirements. (Wis. Admin. Code Ins. § 6.59(2)). Furthermore, with regard to non-resident licensing, the Commissioner may waive the examination requirement for nonresident applicants if the jurisdiction of the applicant’s residence has imposed substantially similar requirements to those in Wisconsin. (W.S.A. § 628.07).

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Comment [1]: Not sure about continuing education. Exempted by Ins. 2804

It appears that Wisconsin’s Office of the Commissioner of Insurance could implement NCOIL Model Act language by bulletin, regulation, or statute. The easiest way in which to do so might be to follow the same path as the Portable Electronics legislation, and modify the exemption in 628.02(1)(b) (8) and use NCOIL Model Act language to add a new section, 632.976.

Alternatively, we could also add a new subsection (j) to Wis. Admin. Code Ins. § 6.595(2), where exemptions to general licensure requirements are addressed, including persons selling rental car insurance. This same language, which is set forth below, could also be incorporated as a subsection to W.S.A. 628.03(2), which also addresses exemptions.

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exemption ↑

The People of the State of Wisconsin, represented in the senate and assembly, so enact as follows: [*1] SECTION 1. 628.02 (1) (b) 8. of the statutes is amended as follows to read:

~~628.02 (1) (b) 8. A representative of a common carrier who sells only over the counter, short-term travel accident ticket policies and baggage insurance. [A travel retailer, as defined in s. 632.976 (1)(d), or an employee or authorized representative of a travel retailer selling or offering travel insurance under s. 932.976.]~~

Comment [12]: Copies Portable Electronics Language or 2011 Wis. ALS 225, codified in 932.975.

[*1] SECTION 2. 632.976 of the statutes is created to read:

632.976 Limited Lines Travel Insurance producer licensing

(1) Definitions

(a) "Limited Lines Travel Insurance Producer" means a:

1. Licensed managing general underwriter,
2. Licensed managing general agent or third party administrator, or
3. Licensed insurance [producer/agent], including a limited lines producer,

designated by an insurer as the travel insurance supervising entity as set forth in Section (5) below.

(b) "Offer and disseminate" means providing general information, including a description of the coverage and price, as well as processing the application, collecting premiums, and performing other non-licensable activities permitted by the state.

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

1. interruption or cancellation of trip or event;
2. loss of baggage or personal effects;
3. damages to accommodations or rental vehicles; or
4. sickness, accident, disability or death occurring during travel.

Travel insurance does not include major medical plans, which provide comprehensive medical protection for travelers with trips lasting six (6) months or longer, including for example, those working overseas as an ex-patriot or military personnel being deployed.

(d) "Travel Retailer" means a business entity that makes, arranges or offers travel services and may offer and disseminate travel insurance as a service to its customers on behalf of and under the direction of a Limited Lines Travel Insurance Producer.

(2) Requirements

(a) The Commissioner may issue to an individual or business entity that has complied with the requirements of this subsection a Limited Lines Travel Insurance Producer License which

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authorizes the Limited Lines Travel Insurance Producer to sell, solicit or negotiate Travel Insurance through a licensed insurer.

(b) As a prerequisite for issuance of a limited license under this subsection, there shall be filed with the Commissioner an application for such limited license in a form and manner prescribed by the Commissioner.

(c) A Travel Retailer may offer and disseminate Travel Insurance under a Limited Lines Travel Insurance Producer business entity ("licensed business entity") license only if the following conditions are met:

1. The Limited Lines Travel Insurance Producer or Travel Retailer provides to purchasers of travel insurance:

- a. A description of the material terms or the actual material terms of the insurance coverage;
- b. A description of the process for filing a claim;
- c. A description of the review or cancellation process for the travel insurance policy; and
- d. The identity and contact information of the insurer and Limited Lines Travel Insurance Producer.

2. At the time of licensure, the Limited Lines Travel Insurance Producer shall establish and maintain a register on a form prescribed by the [insert commissioner] of each Travel Retailer that offers Travel Insurance on the Limited Lines Travel Insurance Producer's behalf. The register shall be maintained and updated annually by the limited lines travel insurance producer and shall include the name, address, and contact information of the Travel Retailer and an officer or person who directs or controls the Travel Retailer's operations, and the Travel Retailer's Federal Tax Identification Number. The Limited Lines Travel Insurance Producer shall submit such register to the state insurance department upon reasonable request. The Limited Lines Travel Insurance Producer shall also certify that the Travel Retailer registered complies with 18 USC 1033.

3. The Limited Lines Travel Insurance Producer has designated one of its employees who is a licensed individual producer as the person (a "Designated Responsible Producer" or "DRP") responsible for the Limited Lines Travel Insurance Producer's compliance with the travel insurance laws, rules and regulations of the state.

4. The DRP, president, secretary, treasurer, and any other officer or person who directs or controls the Limited Lines Travel Insurance Producer's insurance operations comply with the fingerprinting requirements applicable to insurance producers in the resident state of the Limited Lines Travel Insurance Producer.

5. The Limited Lines Travel Insurance Producer has paid all applicable insurance producer licensing fees as set forth in applicable state law.

6. The Limited Lines Travel Insurance Producer requires each employee and authorized representative of the Travel Retailer whose duties include offering and disseminating Travel Insurance to receive a program of instruction or training, which may be subject to review by the commissioner. The training material shall, at a minimum, contain instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers.

7. Limited Lines Travel Insurance Producers, and those registered under its license, are exempt from the examination and continuing education requirements under s. 628.04.

where fit in?

(d) Any Travel Retailer offering or disseminating travel insurance shall make available to prospective purchasers brochures or other written materials that:

1. Provide the identity and contact information of the insurer and the Limited Lines Travel Insurance Producer;
2. Explain that the purchase of travel insurance is not required in order to purchase any other product or service from the Travel Retailer; and
3. Explain that an unlicensed Travel Retailer is permitted to provide general information about the insurance offered by the Travel Retailer, including a description of the coverage and price, but is not qualified or authorized to answer technical questions about the terms and conditions of the insurance offered by the Travel Retailer or to evaluate the adequacy of the customer's existing insurance coverage.

(e) A Travel Retailer's employee or authorized representative, who is not licensed as an insurance producer may not:

1. Evaluate or interpret the technical terms, benefits, and conditions of the offered travel insurance coverage;
2. Evaluate or provide advice concerning a prospective purchaser's existing insurance coverage; or
3. Hold himself or itself out as a licensed insurer, licensed producer, or insurance expert.

(3) Registration

Notwithstanding any other provision of law, a Travel Retailer whose insurance-related activities, and those of its employees and authorized representatives, are limited to offering and disseminating Travel Insurance on behalf of and under the direction of a Limited Lines Travel Insurance Producer meeting the conditions stated in this Act, is authorized to do so and receive related compensation, upon registration by the Limited Lines Travel Insurance Producer as described in Section 2(c)2 above.

(4) Policy

Travel insurance may be provided under an individual policy or under a group or master policy.

(5) Responsibility

As the insurer designee, the Limited Lines Travel Insurance Producer is responsible for the acts of the Travel Retailer and shall use reasonable means to ensure compliance by the Travel Retailer with this Act.

(6) Enforcement

The Limited Lines Travel Insurance Producer and any Travel Retailer offering and disseminating travel insurance under the Limited Lines Travel Insurance Producer License shall be subject to the [insert statutory code citations for (i) the applicable unfair trade practices provisions of the insurance code and (ii) enforcement provisions applicable to insurance producers generally].

(7) Effective Date

This Act shall take effect 90 days after enactment.



Due Wednesday *PI*
run not run jld

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Book
(in 9-11)
D-note

gen cat

X

1 **AN ACT**; relating to: the sale of limited lines travel insurance. ✓

Analysis by the Legislative Reference Bureau

✓ This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 **SECTION 1.** 628.02 (1) (b) 8. ✓ of the statutes is repealed and recreated to read:
3 628.02 (1) (b) 8. A travel retailer, as defined in s. ✓ 632.977 (1) (d), or an employee
4 or authorized representative of a travel retailer, that offers and disseminates, as
5 defined in s. 632.977 (1) (a), ✓ travel insurance under s. 632.977. ✓

need to

****NOTE: Are all travel insurance producers intermediaries? If not, they should be exempted under s. 628.02 (1) (b), also? ✓ ←

do
6

6 **SECTION 2.** 632.977 of the statutes is created to read:
7 **632.977 Limited lines travel insurance.** ✓ (1) DEFINITIONS. ✓ In this section:

1 (a) "Offer and disseminate" means to provide general information, including
2 a description of coverage and price, as well as to process applications, collect
3 premiums, and perform other activities permitted by the statute or rule.

4 (b) 1. "Travel insurance" means limited lines insurance coverage for personal
5 risks incident to planned travel, including any of the following:

6 a. Interruption or cancellation of trip or event.

7 b. Loss of baggage or personal effects.

8 c. Damages to accommodations or rental vehicles.

9 d. Sickness, accident, disability, or death occurring during travel.

10 2. "Travel insurance" does not include major medical plans that provide
11 comprehensive medical protection for travelers with trips lasting 6 months or longer,
12 such as those persons working overseas as expatriates or military personnel being
13 deployed.

14 (c) "Travel insurance producer" means any of the following:

15 1. A person licensed under sub. (2) to sell travel insurance.

16 2. An intermediary that sells travel insurance.

****NOTE: Is this how you want this structured, or are all travel insurance
producers intermediaries? If so, why is a limited lines license under sub. (2) necessary?

****NOTE: I did not use the suggested language because I don't know what a
"licensed managing general underwriter" or a "licensed managing general agent" is. If
by "licensed" you are referring to a license under ch. 628, then they are intermediaries,
right?

17 (d) "Travel retailer" means a business entity that makes, arranges, or offers
18 travel services.

19 (2) LIMITED LICENSE TO SELL TRAVEL INSURANCE. The commissioner may issue to
20 a person, who applies on a form and in the manner prescribed by the commissioner,

1 a limited lines travel insurance producer license authorizing the person to sell,
2 solicit, or negotiate travel insurance through an insurer if all of the following apply:

***NOTE: Is this a separate license for a person who is not an intermediary? If the person is a licensed intermediary, they would not need this license, correct?

***NOTE: I didn't provide that the commissioner may issue the license *if the person is in compliance with the section* because it seems as though they would need the license before they were authorized to take the actions that comply with the section.

3 (3) AUTHORITY TO OFFER AND DISSEMINATE TRAVEL INSURANCE. A travel retailer,
4 or an employee or authorized representative of a travel retailer, may offer and
5 disseminate travel insurance on behalf of and under the control of a travel insurance
6 producer without holding a certificate of authority under s. 601.04 or a license as an
7 intermediary only if all of the following apply:

***NOTE: This is patterned after s. 632.975. Isn't the main purpose of the draft to allow a travel retailer to sell travel insurance without being an insurer or an intermediary if they comply with the specified requirements?

8 (a) The travel insurance producer or travel retailer provides to purchasers of
9 travel insurance all of the following:

10 1. The material terms, or a description of the material terms, of the travel
11 insurance coverage.

12 2. A description of the process for filing a claim.

13 3. A description of the review or cancellation process for the travel insurance
14 policy.

15 4. The identity and contact information of the insurer and travel insurance
16 producer.

17 (b) The travel insurance producer establishes and maintains, on a form
18 prescribed by the commissioner, a register of each travel retailer that offers and
19 disseminates travel insurance on behalf of the travel insurance producer. The travel
20 insurance producer shall update the register annually. The register shall include the

1 name, address, and contact information of the travel retailer and[✓] of an officer or
2 person who directs or controls the travel retailer's operations and the travel retailer's
3 federal tax identification number.[✓] The travel insurance producer shall submit the
4 register to the commissioner upon request within 30[✓] days after receiving a request.
5 The travel insurance producer shall also certify that the travel retailer register
6 complies with 18 U.S.C. 1033.

****NOTE: If a travel retailer may sell travel insurance on behalf of an individual who is currently licensed as an intermediary, it doesn't make sense to me to say that, *at the time of being licensed*, a travel insurance producer must establish and maintain a register of travel retailers.[✓] If, however, every travel insurance producer must be licensed under sub. (2), that language can be added.

****NOTE: I added "of" before "an officer or person who directs or controls the travel retailer's operations." Is that correct? ✓

7 (c) The travel insurance producer has designated one of its employees who is
8 an individual licensed under ch. 628[✓] as the person responsible for ensuring the travel
9 retailer's compliance with the limited lines travel insurance statutes and rules of this
10 state.[✓]

****NOTE: If a person who is not an intermediary may receive a license under sub. (2),[✓] according to this even such a person must have an employee who is licensed as an intermediary, correct?

11 (d) The person designated under par. (c)[✓] and the president, secretary, treasurer,
12 and any other officer or person who directs or controls the travel insurance
13 producer's insurance operations complies with the[✓] fingerprinting requirements that
14 apply to intermediaries in this state.[✓]

****NOTE: Would a person who is not an intermediary who is licensed under sub. (2) have "insurance operations"?

15 (e) The travel insurance producer has paid all applicable licensing fees under
16 s. 601.31.[✓]

****NOTE: This works for a travel insurance producer who is an intermediary, but what fees should apply to a travel insurance producer with only a limited lines license under sub. (2)?[✓]

1 (f) The travel insurance producer requires each employee and authorized
2 representative of the travel retailer whose duties include offering and disseminating
3 travel insurance[✓] to receive a program of instruction or training, which may be subject
4 to review by the commissioner.[✓] The instruction or training materials shall contain,
5 at a minimum, instructions on the types of insurance offered, ethical sales practices,
6 and required disclosures to prospective customers.

7 (4) TRAVEL RETAILER DUTIES, LIMITATIONS, RIGHT TO COMPENSATION.[✓] (a) A travel
8 retailer that offers and disseminates travel insurance on behalf of and under the
9 control of a travel insurance producer[✓] shall make available to prospective purchasers
10 of the travel insurance brochures or other written materials that do all of the
11 following:[✓]

12 1. Provide the identity and contact information of the insurer and the travel
13 insurance producer.[✓]

14 2. Explain that the purchase of travel insurance is not required for the
15 purchase of any other product or service from the travel retailer.[✓]

16 3. Explain that a travel retailer that is not licensed as an intermediary may
17 provide general information about the insurance offered by the[✓] travel retailer,
18 including a description of the coverage and price, but is not qualified or authorized
19 to answer technical questions about the terms and conditions of the insurance
20 offered by the travel retailer or to evaluate the adequacy of the customer's existing
21 insurance coverage.[✓]

22 (b) A travel retailer's employee, or authorized representative, who is not
23 licensed as an intermediary may not do any of the following:[✓]

24 1. Evaluate or interpret technical terms, benefits, or conditions of the offered
25 travel insurance coverage.[✓]

1 2. Evaluate or provide advice concerning a prospective purchaser's existing
2 insurance coverage.✓

3 3. Hold himself or herself out as an insurer, a licensed intermediary, or an
4 insurance expert.✓

5 (c) A travel retailer whose insurance-related activities,✓ and those of its
6 employees and authorized representatives, are limited to offering and disseminating
7 travel insurance on behalf of and under the direction of a travel insurance producer
8 that meets the conditions under this section✓ is authorized to do so and to receive
9 related compensation upon registration by the travel insurance producer under sub.
10 (3) (b).✓

11 (5) MISCELLANEOUS PROVISIONS.✓ (a) Travel insurance may be provided under
12 an individual policy or under a group or master policy.✓

13 (b) As the insurer designee, a travel insurance producer is responsible for the
14 acts of each travel retailer offering and disseminating travel insurance on its behalf
15 and under its control and shall use reasonable means to ensure compliance by the
16 travel retailer with this section.✓

17 (c) A travel insurance producer specified in sub. (1) (c) 1.✓ and any travel retailer
18 offering and disseminating travel insurance on behalf of and under the control of a
19 travel insurance producer are exempt from the examination and education
20 requirements under s. 628.04 (3).✓

****NOTE: Travel retailers are subject to instruction and training requirements
under sub. (3) (f)✓ but travel insurance producers who are not intermediaries are not
subject to any training or education requirements. Is this your intention?

21 (d) A travel insurance producer and any travel retailer✓ offering and
22 disseminating travel insurance on behalf of and under the control of a travel

1 insurance producer are subject to ss. 601.41 (4), 601.43, 601.44, 601.61 to 601.64, and
2 628.34.

****NOTE: Are these the provisions you want to apply to travel insurance producers and travel retailers? They already apply, of course, to travel insurance producers who are intermediaries.

3 **SECTION 3. Effective date.**

4 (1) This act takes effect on the first day of the 4th month beginning after
5 publication.

****NOTE: Do you want this delayed effective date? Starting on the first day of a month is usually easier to determine than counting a number of days, such as 90 in the suggested draft.

6 (END)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

date

LRB-2717/^{PI}fdn
PJK:.....
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understanding

This is a pretty rough first draft. The main problem I have with the draft is what types of persons may be travel insurance producers and whether a limited lines travel insurance license is even necessary. If a travel insurance producer must be an intermediary, then I assume the limited lines travel insurance license is not necessary. Hopefully, by looking at the language I've provided and my questions and comments in the embedded NOTES, the necessary modifications will be readily apparent to you.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2717/P1dn
PJK:jld:rs

September 17, 2013

This is a pretty rough first draft. The main problem I have with the draft is understanding what types of persons may be travel insurance producers and whether a limited lines travel insurance license is even necessary. If a travel insurance producer must be an intermediary, then I assume the limited lines travel insurance license is not necessary. Hopefully, by looking at the language I've provided and my questions and comments in the embedded NOTES, the necessary modifications will be readily apparent to you.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

Kahler, Pam

From: Kelsey Gockenbach <kelsey@stengergov.com>
Sent: Friday, October 04, 2013 11:45 AM
To: Kahler, Pam
Subject: Conference call today @ 3:30

Hi Pam,

If you could please use this call-in number for the conference call we scheduled yesterday for 3:30pm today .

Dial in: (712) 775-7100
Access code: 723331#

John Fielding
Randy Senior

Let me know if you have any questions.

Thanks!

Kelsey Gockenbach
Stenger Government Relations
44 East Mifflin St Suite 600
Madison, WI 53703
(608) 287-0403
Fax (608) 287-0414
kelsey@stengergov.com
www.stengergov.com

*even an intermediary needs a license
under sub. (2)*

*changes made on draft in response to ~~the~~ responses to
NOTES*



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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-note
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(~10-11)

regenerate ↓

X

1 **AN ACT** to repeal and recreate 628.02 (1) (b) 8.; and to create 632.977 of the
2 statutes; relating to: the sale of limited lines travel insurance. ✓

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

Insert 1-3 ✓

3 **SECTION 1.** 628.02 (1) (b) 8. of the statutes is repealed and recreated to read:
4 628.02 (1) (b) 8. A travel retailer, as defined in s. 632.977 (1) (d), or an employee
5 or authorized representative of a travel retailer, that offers and disseminates, as
6 defined in s. 632.977 (1) (a), travel insurance under s. 632.977.

Insert 1-7

****NOTE: Are all travel insurance producers intermediaries? If not, do they need to be exempted under s. 628.02 (1) (b), also? ^{no}

7 **SECTION 2.** 632.977 of the statutes is created to read:
8 **632.977 Limited lines travel insurance.** (1) DEFINITIONS. In this section:

1 (a) "Offer and disseminate" means to provide general information, including
2 a description of coverage and price, as well as to process applications, collect
3 premiums, and perform other activities permitted by the statute or rule.

4 (b) 1. "Travel insurance" means limited lines insurance coverage for personal
5 risks incident to planned travel, including any of the following:

- 6 a. Interruption or cancellation of trip or event.
- 7 b. Loss of baggage or personal effects.
- 8 c. Damages to accommodations or rental vehicles.
- 9 d. Sickness, accident, disability, or death occurring during travel.

10 2. "Travel insurance" does not include major medical plans that provide
11 comprehensive medical protection for travelers with trips lasting 6 months or longer,
12 such as those persons working overseas as expatriates or military personnel being
13 deployed.

14 (c) "Travel insurance producer" means any of the following: *NO*

15 *with* 1. A person *including an intermediary, who is* licensed under sub. (2) to sell travel insurance. ✓

16 2. An intermediary that sells travel insurance.

****NOTE: Is this how you want this structured, or are all travel insurance producers intermediaries? If so, why is a limited lines license under sub. (2) necessary?

****NOTE: I did not use the suggested language because I don't know what a "licensed managing general underwriter" or a "licensed managing general agent" is. If by "licensed" you are referring to a license under ch. 628, then they are intermediaries, right?

17 (d) "Travel retailer" means a business entity that makes, arranges, or offers
18 travel services.

19 (2) LIMITED LICENSE TO SELL TRAVEL INSURANCE. The commissioner may issue to
20 a person, who applies on a form and in the manner prescribed by the commissioner,

including a person licensed as an intermediary under ch. 628,

1 a limited lines travel insurance producer license authorizing the person to sell,
2 solicit, or negotiate travel insurance through an insurer.

***NOTE: Is this a separate license for a person who is not an intermediary? If the person is a licensed intermediary, they would not need this license, correct?

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3 (3) AUTHORITY TO OFFER AND DISSEMINATE TRAVEL INSURANCE. A travel retailer,
4 or an employee or authorized representative of a travel retailer, may offer and
5 disseminate travel insurance on behalf of and under the control of a travel insurance
6 producer without holding a certificate of authority under s. 601.04 or a license as an
7 intermediary only if all of the following apply:

***NOTE: This is patterned after s. 632.975. Isn't the main purpose of the draft to allow a travel retailer to sell travel insurance without being an insurer or an intermediary if they comply with the specified requirements?

8 (a) The travel insurance producer or travel retailer provides to purchasers of
9 travel insurance all of the following:

- 10 1. The material terms, or a description of the material terms, of the travel
11 insurance coverage.
- 12 2. A description of the process for filing a claim.
- 13 3. A description of the review or cancellation process for the travel insurance
14 policy.
- 15 4. The identity and contact information of the insurer and travel insurance
16 producer.

17 (b) The travel insurance producer establishes and maintains, on a form
18 prescribed by the commissioner, a register of each travel retailer that offers and
19 disseminates travel insurance on behalf of the travel insurance producer. The travel
20 insurance producer shall update the register annually. The register shall include the

1 name, address, and contact information of the travel retailer and of an officer or
2 person who directs or controls the travel retailer's operations and the travel retailer's
3 federal tax identification number. The travel insurance producer shall submit the
4 register to the commissioner upon request within 30 days after receiving a request.
5 The travel insurance producer shall also certify that the travel retailer register
6 complies with 18 USC 1033.

****NOTE: If a travel retailer may sell travel insurance on behalf of an individual who is currently licensed as an intermediary, it doesn't make sense to me to say that, *at the time of being licensed*, a travel insurance producer must establish and maintain a register of travel retailers. If, however, every travel insurance producer must be licensed under sub. (2), that language can be added.

****NOTE: I added "of" before "an officer or person who directs or controls the travel retailer's operations." Is that correct?

7 (c) The travel insurance producer has designated one of its employees who ^{is}
8 ^{→ must be} an individual licensed under ch. 628 [✓] as the person responsible for ensuring the travel
9 retailer's compliance with the limited lines travel insurance statutes and rules of this
10 state.

****NOTE: If a person who is not an intermediary may receive a license under sub. (2), according to this even such a person must have an employee who is licensed as an intermediary, correct?

11 (d) The person designated under par. (c) and the president, secretary, treasurer,
12 and any other officer or person who directs or controls the travel insurance
13 producer's insurance operations complies with the fingerprinting requirements that
14 apply to intermediaries in this state.

****NOTE: Would a person who is not an intermediary who is licensed under sub. (2) have "insurance operations"?

15 ^{ff d} (A) The travel insurance producer has paid all applicable licensing fees under
16 s. 601.31 ^{→ (1)(s) letter}

****NOTE: This works for a travel insurance producer who is an intermediary, but what fees should apply to a travel insurance producer with only a limited lines license under sub. (2)?

1 ~~1~~ ~~e~~ ~~1~~ The travel insurance producer requires each employee and authorized
 2 representative of the travel retailer whose duties include offering and disseminating
 3 travel insurance to receive a program of instruction or training, which may be subject
 4 to review by the commissioner. The instruction or training materials shall contain,
 5 at a minimum, instructions on the types of insurance offered, ethical sales practices,
 6 and required disclosures to prospective customers.

7 (4) TRAVEL RETAILER DUTIES, LIMITATIONS, RIGHT TO COMPENSATION. (a) A travel
 8 retailer that offers and disseminates travel insurance on behalf of and under the
 9 control of a travel insurance producer shall make available to prospective purchasers
 10 of the travel insurance brochures or other written materials that do all of the
 11 following:

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 13 insurance producer.

14 2. Explain that the purchase of travel insurance is not required for the
 15 purchase of any other product or service from the travel retailer.

16 3. Explain that a travel retailer that is not licensed as an intermediary may
 17 provide general information about the insurance offered by the travel retailer,
 18 including a description of the coverage and price, but is not qualified or authorized
 19 to answer technical questions about the terms and conditions of the insurance
 20 offered by the travel retailer or to evaluate the adequacy of the customer's existing
 21 insurance coverage.

22 (b) A travel retailer's employee, or authorized representative, who is not
 23 licensed as an intermediary may not do any of the following:

24 1. Evaluate or interpret technical terms, benefits, or conditions of the offered
 25 travel insurance coverage.

a travel insurance producer

1 2. Evaluate or provide advice concerning a prospective purchaser's existing
2 insurance coverage.

✓ *travel insurance producer*

3 3. Hold himself or herself out as an insurer, a licensed intermediary or an
4 insurance expert.

✓ intermediary

5 (c) A travel retailer whose insurance-related activities, and those of its
6 employees and authorized representatives, are limited to offering and disseminating
7 travel insurance on behalf of and under the direction of a travel insurance producer
8 that meets the conditions under this section is authorized to do so and to receive
9 related compensation upon registration by the travel insurance producer under sub.
10 (3) (b).

11 (5) MISCELLANEOUS PROVISIONS. (a) Travel insurance may be provided under
12 an individual policy or under a group or master policy.

13 (b) As the insurer designee, a travel insurance producer is responsible for the
14 acts of each travel retailer offering and disseminating travel insurance on its behalf
15 and under its control and shall use reasonable means to ensure compliance by the
16 travel retailer with this section.

17 (c) A travel insurance producer specified in sub. (1) (c) 1. and any travel retailer
18 offering and disseminating travel insurance on behalf of and under the control of a
19 travel insurance producer *are* exempt from the examination and education
20 requirements under s. 628.04 (3).

→ *insert 6-19* ✓

****NOTE: Travel retailers are subject to instruction and training requirements under sub. (3) (f) but travel insurance producers who are not intermediaries are not subject to any training or education requirements. Is this your intention?

21 (d) A travel insurance producer and any travel retailer offering and
22 disseminating travel insurance on behalf of and under the control of a travel

1 insurance producer are subject to ss. 601.41 (4), 601.43, 601.44, 601.61 to 601.64, and
2 628.34.

****NOTE: Are these the provisions you want to apply to travel insurance producers and travel retailers? They already apply, of course, to travel insurance producers who are intermediaries.

3 **SECTION 3. Effective date.**

4 (1) This act takes effect on the first day of the 4th month beginning after
5 publication.

****NOTE: Do you want this delayed effective date? Starting on the first day of a month is usually easier to determine than counting a number of days, such as 90 in the suggested draft.

6 (END)

~~△~~ - note

2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2717/P2ins
PJK:.....

r m is new

INSERT 1-3

1 SECTION 1. 601.31 (1) (s) [✓] of the statutes is created to read:
2 601.31 (1) (s) For initial issuance and for each annual renewal of a license as
3 a limited lines travel insurance producer under s. 632.977 (2), [✓] \$100.

****NOTE: I inserted \$100 as a placeholder. Let me know if you would like a
different amount.

check
(END OF INSERT 1-3)

INSERT 1-7

4 SECTION 2. 628.02 (1) (b) 8m. [✓] of the statutes is created to read:
5 628.02 (1) (b) 8m. A travel insurance producer, as defined in s. 632.977 (1) (c),
6 who is not licensed under this chapter. [✓]

****NOTE: Is this exception needed? [✓]

(END OF INSERT 1-7)

INSERT 6-19

7 *w/4* and a travel insurance producer that is not also licensed as an intermediary
8 under ch. 628 [✓] *(NO 4)*

(END OF INSERT 6-19)

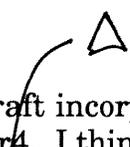
**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

date

LRB-2717/P2dn

PJK:.....

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 This draft incorporates the changes that we discussed during the conference call on October 4. I think the only outstanding issues that need attention are the licensing fee and whether the sections listed in proposed s. 632.977 (5) (d) are okay as is. Of course, you may have other changes. *

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2717/P2dn
PJK:jld:jf

October 11, 2013

This draft incorporates the changes that we discussed during the conference call on October 4. I think the only outstanding issues that need attention are the licensing fee and whether the sections listed in proposed s. 632.977 (5) (d) are okay as is. Of course, you may have other changes.

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State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-2717/P2
PJK:jld:jt

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~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

(in 12-11)

2013 Bill

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✓

1 AN ACT *to repeal and recreate* 628.02 (1) (b) 8.; and *to create* 601.31 (1) (s),
2 628.02 (1) (b) 8m. and 632.977 of the statutes; **relating to:** the sale of limited
3 lines travel insurance.

Insert A

Analysis by the Legislative Reference Bureau

(This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.)

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 SECTION 1. 601.31 (1) (s) of the statutes is created to read:
5 601.31 (1) (s) For initial issuance and for each annual renewal of a license as
6 a limited lines travel insurance producer under s. 632.977 (2), \$100.

****NOTE: I inserted \$100 as a placeholder. Let me know if you would like a different amount.*

7 SECTION 2. 628.02 (1) (b) 8. of the statutes is repealed and recreated to read:

1 628.02 (1) (b) 8. A travel retailer, as defined in s. 632.977 (1) (d), or an employee
2 or authorized representative of a travel retailer, that offers and disseminates, as
3 defined in s. 632.977 (1) (a), travel insurance under s. 632.977.

4 **SECTION 3.** 628.02 (1) (b) 8m. of the statutes is created to read:

5 628.02 (1) (b) 8m. A travel insurance producer, as defined in s. 632.977 (1) (c),
6 who is not licensed under this chapter.

✓ ******NOTE:** Is this exception needed?

7 **SECTION 4.** 632.977 of the statutes is created to read:

8 **632.977 Limited lines travel insurance.** (1) DEFINITIONS. In this section:

9 (a) "Offer and disseminate" means to provide general information, including
10 a description of coverage and price, as well as to process applications, collect
11 premiums, and perform other activities permitted by the statute or rule.

12 (b) 1. "Travel insurance" means limited lines insurance coverage for personal
13 risks incident to planned travel, including any of the following:

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21 deployed.

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23 who is licensed under sub. (2) to sell travel insurance.

1 (d) "Travel retailer" means a business entity that makes, arranges, or offers
2 travel services.

3 (2) LIMITED LICENSE TO SELL TRAVEL INSURANCE. The commissioner may issue to
4 a person, including a person licensed as an intermediary under ch. 628, who applies
5 on a form and in the manner prescribed by the commissioner, a limited lines travel
6 insurance producer license authorizing the person to sell, solicit, or negotiate travel
7 insurance through an insurer.

8 (3) AUTHORITY TO OFFER AND DISSEMINATE TRAVEL INSURANCE. A travel retailer,
9 or an employee or authorized representative of a travel retailer, may offer and
10 disseminate travel insurance on behalf of and under the control of a travel insurance
11 producer without holding a certificate of authority under s. 601.04 ^{or a license as an}
12 intermediary ^{only if all of the following apply:} ^{or a license under sub. (2)}

13 (a) The travel insurance producer or travel retailer provides to purchasers of
14 travel insurance all of the following:

- 15 1. The material terms, or a description of the material terms, of the travel
- 16 insurance coverage.
- 17 2. A description of the process for filing a claim.
- 18 3. A description of the review or cancellation process for the travel insurance
- 19 policy.
- 20 4. The identity and contact information of the insurer and travel insurance
- 21 producer.

22 (b) The travel insurance producer establishes and maintains, on a form
23 prescribed by the commissioner, a register of each travel retailer that offers and
24 disseminates travel insurance on behalf of the travel insurance producer. The travel
25 insurance producer shall update the register annually. The register shall include the

1 name, address, and contact information of the travel retailer and of an officer or
2 person who directs or controls the travel retailer's operations and the travel retailer's
3 federal tax identification number. The travel insurance producer shall submit the
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8 must be an individual licensed under ch. 628, as the person responsible for ensuring
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10 rules of this state.

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14 representative of the travel retailer whose duties include offering and disseminating
15 travel insurance to receive a program of instruction or training, which may be subject
16 to review by the commissioner. The instruction or training materials shall contain,
17 at a minimum, instructions on the types of insurance offered, ethical sales practices,
18 and required disclosures to prospective customers.

19 (4) TRAVEL RETAILER DUTIES, LIMITATIONS, RIGHT TO COMPENSATION. (a) A travel
20 retailer that offers and disseminates travel insurance on behalf of and under the
21 control of a travel insurance producer shall make available to prospective purchasers
22 of the travel insurance, brochures or other written materials that do all of the
23 following:

24 1. Provide the identity and contact information of the insurer and the travel
25 insurance producer.

1 2. Explain that the purchase of travel insurance is not required for the
2 purchase of any other product or service from the travel retailer.

3 3. Explain that a travel retailer that is not licensed as a travel insurance
4 producer may provide general information about the insurance offered by the travel
5 retailer, including a description of the coverage and price, but is not qualified or
6 authorized to answer technical questions about the terms and conditions of the
7 insurance offered by the travel retailer or to evaluate the adequacy of the customer's
8 existing insurance coverage.

9 (b) A travel retailer's employee, or authorized representative, who is not
10 licensed as a travel insurance producer may not do any of the following:

11 1. Evaluate or interpret technical terms, benefits, or conditions of the offered
12 travel insurance coverage.

13 2. Evaluate or provide advice concerning a prospective purchaser's existing
14 insurance coverage.

15 3. Hold himself or herself out as an insurer, a licensed travel insurance
16 producer, or an insurance expert.

17 (c) A travel retailer whose insurance-related activities, and those of its
18 employees and authorized representatives, are limited to offering and disseminating
19 travel insurance on behalf of and under the direction of a travel insurance producer
20 that meets the conditions under this section is authorized to do so and to receive
21 related compensation upon registration by the travel insurance producer under sub.
22 (3) (b).

23 **(5) MISCELLANEOUS PROVISIONS.** (a) Travel insurance may be provided under
24 an individual policy or under a group or master policy.

1 (b) As the insurer designee, a travel insurance producer is responsible for the
2 acts of each travel retailer offering and disseminating travel insurance on its behalf
3 and under its control and shall use reasonable means to ensure compliance by the
4 travel retailer with this section.

5 (c) A travel retailer offering and disseminating travel insurance on behalf of
6 and under the control of a travel insurance producer and a travel insurance producer
7 that is not also licensed as an intermediary under ch. 628 are exempt from the
8 examination and education requirements under s. 628.04 (3).

9 (d) A travel insurance producer and any travel retailer offering and
10 disseminating travel insurance on behalf of and under the control of a travel
11 insurance producer are subject to ss. 601.41 (4), 601.43, 601.44, 601.61 to 601.64, and
12 628.34.

✓ **NOTE:** Are these the provisions you want to apply to travel insurance producers and travel retailers? They already apply, of course, to travel insurance producers who are intermediaries.

13 **SECTION 5. Effective date.**

14 (1) This act takes effect on the first day of the 4th month beginning after
15 publication.

16 (END)

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FROM THE
LEGISLATIVE REFERENCE BUREAU

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This bill allows the commissioner of insurance to issue to a person, who may be but need not be an insurance intermediary, a limited lines travel insurance producer license, which authorizes the licensed person (travel insurance producer) to sell, solicit, and negotiate travel insurance through an insurer. Travel insurance is defined in the bill as limited lines insurance coverage for personal risks incident to planned travel, including cancellation of trip, loss of baggage, and sickness or accident occurring during travel.

The bill authorizes a travel retailer, which is defined in the bill as a business entity that makes, arranges, or offers travel services, that meets the conditions set out in the bill to take certain actions related to travel insurance on behalf of and under the control of a travel insurance producer, without having a travel insurance producer license, including providing general information, processing applications, and collecting premiums (offering and disseminating travel insurance). Under the bill, such a travel insurance producer is responsible for the acts of such a travel retailer and must use reasonable means to ensure the travel retailer's compliance with the requirements under the bill. The bill provides that a travel retailer that is authorized to offer and disseminate travel insurance on behalf of a travel insurance producer may receive compensation for doing so.

For a travel retailer to offer and disseminate travel insurance on behalf of a travel insurance producer, the travel insurance producer or travel retailer must provide to travel insurance purchasers a description of the material terms of the travel insurance, a description of the process for filing a claim, a description of the policy's review or cancellation process, and the contact information of the insurer. The travel insurance producer must pay all applicable licensing fees; must maintain a register that provides the contact information of each travel retailer that offers and disseminates travel insurance on its behalf; must designate an employee, who must be an insurance intermediary, as the person responsible for ensuring that the travel retailer complies with the applicable statutes; and must require the travel retailer's employees and representatives whose duties include offering and disseminating travel insurance to receive a program of instruction or training on the types of insurance products offered, ethical sales practices, and required disclosures to prospective customers.

A travel retailer that offers and disseminates travel insurance on behalf of a travel insurance producer must make available to prospective travel insurance purchasers written materials that provide the contact information of the travel insurer and the travel insurance producer, that explain that the purchase of travel insurance is not required for the purchase of any other product or service from the travel retailer, and that explain the limitations on technical information that a travel retailer who is not a travel insurance producer may provide concerning the travel insurance. A travel retailer's employee or authorized representative who is not a travel insurance producer is prohibited from evaluating or interpreting technical terms of the travel insurance coverage, providing advice concerning a prospective

from

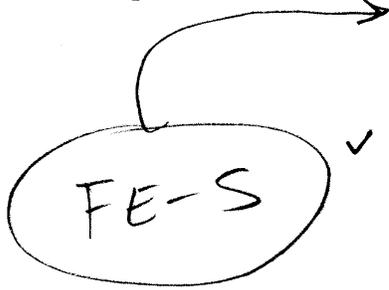
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travel insurance purchaser's existing insurance coverage, and from holding himself or herself out as an insurer, a travel insurance producer, or an insurance expert. ✓

The bill provides that travel retailers are not subject to the statutory examination and education requirements that apply to ✓ insurance intermediaries and sets out the insurance statutes that do apply to travel insurance producers and travel retailers, such as the statutes that relate to procedures for enforcing compliance with the insurance statutes and the statutes that provide penalties for noncompliance with the insurance statutes. ✓

(END OF INSERT A)

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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

date

LRB-2717/1dn

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Please note that in this version I added “, or a license under sub. (2)”[✓] to s. 632.977 (3)[✓] (intro.) to clarify that a travel retailer does not have to be licensed as a travel insurance producer. Let me know if that is not your intent.[✓]

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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2717/1dn
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December 13, 2013

Please note that in this version I added “, or a license under sub. (2)” to s. 632.977 (3) (intro.) to clarify that a travel retailer does not have to be licensed as a travel insurance producer. Let me know if that is not your intent.

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Parisi, Lori

From: Thorson, Randy
Sent: Friday, December 13, 2013 1:50 PM
To: LRB.Legal
Subject: Draft Review: LRB -2717/1 Topic: Licensing limited lines travel insurance producers

Thank you.

Randy

Please Jacket LRB -2717/1 for the ASSEMBLY.