
A BILL FOR AN ACT

RELATING TO TRAVEL INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 431, Hawaii Revised Statutes, is
2 amended by adding a new part to article 9A to be appropriately
3 designated and to read as follows:

4 **"PART . LIMITED LINES TRAVEL INSURANCE PRODUCER**

5 **§431:9A-A Definitions.** Unless specified otherwise, the
6 following definitions shall be used in this part:

7 "Limited lines travel insurance producer" means a:

8 (1) Licensed managing general underwriter;

9 (2) Licensed managing general agent or third party
10 administrator; or

11 (3) Licensed insurance producer, including a limited lines
12 producer;

13 authorized to sell, solicit, or negotiate travel insurance
14 through a licensed insurer pursuant to this part.

15 "Offer and disseminate" means providing general
16 information, including a description of the coverage and price;
17 processing an application; collecting premiums; and performing
18 other nonlicensable activities permitted by the State.



1 "Travel insurance" means insurance coverage for personal
2 risks incident to planned travel, including but not limited to:

- 3 (1) Interruption or cancellation of trip or event;
4 (2) Loss of baggage or personal effects;
5 (3) Damages to accommodations or rental vehicles; or
6 (4) Sickness, accident, disability, or death occurring
7 during travel.

8 "Travel insurance" does not include major medical plans that
9 provide comprehensive medical protection for travelers with
10 trips lasting six months or longer, including plans that cover
11 those working overseas as an expatriate or deployed military
12 personnel.

13 "Travel retailer" means a business entity that makes,
14 arranges, or offers travel services.

15 **§431:9A-B Requirements.** (a) Notwithstanding any other
16 provision of law, the commissioner may issue to an individual or
17 business entity that has filed with the commissioner an
18 application for a limited license in a form and manner
19 prescribed by the commissioner, a limited lines travel insurance
20 producer license that authorizes the individual or entity to
21 sell, solicit, or negotiate travel insurance through a licensed
22 insurer. A travel retailer may offer and disseminate travel



1 insurance as a service to its customers on behalf of, or under
2 the direction of, a limited lines travel insurance producer
3 licensee. The following conditions shall apply:

4 (1) The limited lines travel insurance producer or travel
5 retailer provides to purchasers of travel insurance:

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

8 (B) A description of the process for filing a claim;

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

11 (D) The identity and contact information of the
12 insurer and limited lines travel insurance
13 producer;

14 (2) At the time of licensure, the limited lines travel
15 insurance producer establishes and maintains a
16 register on a form prescribed by the commissioner of
17 each travel retailer that offers travel insurance on
18 the limited lines travel insurance producer's behalf;
19 provided that:

20 (A) The register is maintained and updated annually
21 by the limited lines travel insurance producer
22 and includes the name, address, and contact



1 information of the travel retailer, an officer or
2 person who directs or controls the travel
3 retailer's operations, and the travel retailer's
4 federal tax identification number;

5 (B) The limited lines travel insurance producer
6 submits the register to the commissioner upon
7 reasonable request; and

8 (C) The limited lines travel insurance producer also
9 certifies that the travel retailer reflected in
10 the register has not violated 18 United States
11 Code section 1033;

12 (3) The limited lines travel insurance producer designates
13 one of its employees, who shall be a licensed
14 individual producer, as the designated responsible
15 producer for purposes of compliance with the travel
16 insurance laws and rules of the State;

17 (4) The designated responsible producer and the president,
18 secretary, treasurer, or any other officer or person
19 who directs or controls the limited lines travel
20 insurance producer's insurance operations complies
21 with any fingerprinting requirements applicable to
22 insurance producers;



1 (5) The limited lines travel insurance producer pays the
2 applicable insurance producer licensing fee as a
3 single entity or as a limited lines travel insurance
4 producer that has persons registered under its
5 license; and

6 (6) The limited lines travel insurance producer requires
7 any employee or authorized representative of the
8 travel retailer whose duties include offering and
9 disseminating travel insurance to receive instruction
10 or training, which may be subject to review by the
11 commissioner; provided that the training shall
12 include, at minimum, instruction on the types of
13 insurance offered, ethical sales practices, and
14 required disclosures to prospective customers.

15 (b) A limited lines travel insurance producer, and the
16 travel retailers registered under its license, shall be exempt
17 from the examination requirements of section 431:9A-105 and from
18 the continuing education requirements of section 431:9A-124 for
19 purposes of licensure under this part.

20 (c) Any travel retailer offering or disseminating travel
21 insurance shall make available to prospective purchasers written
22 materials, either printed or electronically, that:



- 1 (1) Provide the identity and contact information of the
2 insurer and the limited lines travel insurance
3 producer;
- 4 (2) Explain that the purchase of travel insurance is not
5 required in order to purchase any other product or
6 service from the travel retailer; and
- 7 (3) Explain that an unlicensed travel retailer is
8 permitted to provide general information about the
9 insurance offered or disseminated by the travel
10 retailer, including a description of the coverage and
11 price, but is not qualified or authorized to answer
12 technical questions about the terms and conditions of
13 the insurance offered or disseminated by the travel
14 retailer or to evaluate the adequacy of the customer's
15 existing insurance coverage.
- 16 (d) Any employee or authorized representative of the
17 travel retailer who is not licensed as an insurance producer
18 shall not:
- 19 (1) Sell, solicit, or negotiate insurance;
- 20 (2) Evaluate or provide advice concerning a prospective
21 purchaser's existing insurance coverage; or



1 (3) Hold oneself out as a licensed insurer, licensed
2 producer, or insurance expert.

3 (e) Notwithstanding any other provision of law, a travel
4 retailer, its employees, and authorized representatives shall be
5 authorized to offer and disseminate travel insurance on behalf
6 of, and under the direction of, a limited lines travel insurance
7 producer and receive compensation for their services; provided
8 that the limited lines travel insurance producer registers the
9 travel retailer pursuant to subsection (a)(2).

10 No travel retailer shall be compensated based primarily
11 upon the number of customers who purchase travel insurance.

12 Nothing in this part shall prohibit payment of compensation
13 to a travel retailer or its employees for activities under the
14 limited lines travel insurance agent's license that is
15 incidental to the travel retailer's or its employees overall
16 compensation.

17 (f) Travel insurance may be offered under an individual
18 policy or under a group or master policy.

19 (g) As the insurer's designee, a limited lines travel
20 insurance producer shall be responsible for the acts of its
21 registered travel retailers and shall use reasonable means to
22 ensure compliance by the travel retailers with this section.



1 (h) A limited lines travel insurance producer and any
2 travel retailer offering and disseminating travel insurance on
3 behalf of and under the direction of the limited lines travel
4 insurance producer shall be subject to article 13."

5 SECTION 2. Chapter 431, Hawaii Revised Statutes, is
6 amended by adding a new section to article 9A to be
7 appropriately designated and to read as follows:

8 "§431:9A- Producer licensing; implied licensure.

9 Nothing in this article shall be construed as granting a company
10 a license to do business in the State unless approved by the
11 commissioner."

12 SECTION 3. Section 431:9A-107.5, Hawaii Revised Statutes,
13 is amended by amending subsection (a) to read as follows:

14 "(a) Notwithstanding any other provision of this article,
15 the commissioner may issue:

- 16 (1) A limited license to persons selling limited lines
17 travel [~~tickets of a common carrier of persons or~~
18 ~~property who shall act only as to travel ticket~~
19 ~~policies of accident and health or sickness insurance~~
20 ~~or baggage insurance on personal effects,~~] insurance
21 pursuant to part ;



1 (2) A limited license to each individual who has charge of
2 vending machines used in this State for the
3 effectuation of travel insurance;

4 (3) A limited license to any individual who sells policies
5 of accident and health or sickness insurance as a
6 promotional device to improve the circulation of a
7 newspaper in this State; or

8 (4) A limited line credit insurance producer license to
9 any individual who sells, solicits, or negotiates
10 limited line credit insurance."

11 SECTION 4. In codifying the new sections added by section
12 1 of this Act, the revisor of statutes shall substitute
13 appropriate section numbers for the letters used in designating
14 the new sections in this Act.

15 SECTION 5. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 6. This Act shall take effect on July 1, 2112.



Report Title:

Travel Insurance; Producers; Licensing

Description:

Establishes a limited lines travel insurance producer license for producers selling, soliciting, or negotiating travel insurance through a licensed insurer. Authorizes travel retailers to offer travel insurance on behalf of and under the supervision of a limited lines travel insurance producer. Effective July 1, 2112. (HB2215 HD1)

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