

**CS FOR HOUSE BILL NO. 168(L&C)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 3/26/13

Referred: Rules

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

**A BILL**

**FOR AN ACT ENTITLED**

"An Act amending the definition of travel insurance for the purpose of describing a person eligible for a travel insurance limited producer license; and authorizing a person selling travel services to transact the business of travel insurance on behalf of and under the direction of a person licensed as a travel insurance limited producer."

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

\* **Section 1.** AS 21.27.150(a) is amended to read:

(a) The director may issue a

(1) travel insurance limited producer license to a person who is appointed under AS 21.27.100 and who sells travel insurance; in this paragraph, "travel insurance" has the meaning given in AS 21.27.152 [INSURANCE CONNECTED WITH TRANSPORTATION PROVIDED BY A COMMON CARRIER, AND LIMITED TO A SPECIFIC TRIP, THAT COVERS

(A) TRIP CANCELLATION;

(B) TRIP INTERRUPTION; OR

(C) LIFE, HEALTH, DISABILITY, OR PERSONAL EFFECTS];

(2) title insurance limited producer license to a person whose place of business is located in this state and whose sole purpose is to be appointed by and act on behalf of a title insurer;

(3) bail bond limited producer license to a person who is appointed by and acts on behalf of a surety insurer pertaining to bail bonds;

(4) motor vehicle rental agency limited producer license to a person and, subject to the approval of the director, to employees of the person licensed that the licensee authorizes to transact the business of insurance on the licensee's behalf if, as to an employee, the licensee complies with (D) of this paragraph and if the licensee

(A) rents to others, without operators,

(i) private passenger motor vehicles, including passenger vans, minivans, and sport utility vehicles; or

(ii) cargo motor vehicles, including cargo vans, pickup trucks, and trucks with a gross vehicle weight of less than 26,000 pounds that do not require the operator to possess a commercial driver's license;

(B) rents motor vehicles only to persons under rental agreements that do not exceed a term of 90 days;

(C) transacts only the following kinds of insurance:

(i) motor vehicle liability insurance with respect to liability arising out of the use of a vehicle rented from the licensee during the term of the rental agreement;

(ii) uninsured or underinsured motorist coverage, with minimum limits described in AS 21.96.020(c) and (d) arising from the use of a vehicle rented from the licensee during the term of the rental agreement;

(iii) insurance against medical, hospital, surgical, and disability benefits to an injured person and funeral and death benefits to dependents, beneficiaries, or personal representatives of a deceased

1 person if the insurance is issued as incidental coverage with or  
 2 supplemental to liability insurance and arises out of the use of a vehicle  
 3 rented from the licensee during the term of the rental agreement;

4 (iv) personal effects insurance, including loss of use,  
 5 with respect to damage to or loss of personal property of a person  
 6 renting the vehicle and other vehicle occupants while that property is  
 7 being loaded into, transported by, or unloaded from a vehicle rented  
 8 from the licensee during the term of the rental agreement;

9 (v) towing and roadside assistance with respect to  
 10 vehicles rented from the licensee during the term of the rental  
 11 agreement; and

12 (vi) other insurance as may be authorized by regulation  
 13 by the director;

14 (D) notifies the director in writing, within 30 days of  
 15 employment, of the name, date of birth, social security number, location of  
 16 employment, and home address of an employee authorized by the licensee to  
 17 transact insurance on the licensee's behalf; and

18 (E) provides other information as required by the director;

19 (5) nonresident limited producer license to a person; a license that the  
 20 director issues under this paragraph grants the same scope of authority as a limited  
 21 lines producer license issued to the person by the person's home state;

22 (6) credit insurance limited producer license to a person who sells  
 23 limited lines credit insurance;

24 (7) miscellaneous limited producer license to a person who transacts  
 25 insurance in this state that restricts the person's authority to less than the total authority  
 26 for a line of authority described in AS 21.27.115(1) - (6), (8), and (9).

27 \* **Sec. 2.** AS 21.27 is amended by adding a new section to read:

28 **Sec. 21.27.152. Travel insurance.** (a) A person that makes, arranges, or offers  
 29 travel services may transact travel insurance by offering, issuing for delivery, issuing,  
 30 or renewing travel insurance to its customers on behalf of and under the direction of a  
 31 person holding a travel insurance limited producer license under AS 21.27.150.

1 (b) A person may transact travel insurance under (a) of this section only if the  
 2 person is included in the register maintained by the travel insurance limited producer  
 3 under (e)(1) of this section.

4 (c) A person transacting travel insurance under (a) of this section may not  
 5 (1) evaluate or interpret the terms, benefits, and conditions of travel  
 6 insurance;

7 (2) evaluate or provide advice concerning a prospective purchaser's  
 8 existing insurance coverage; or

9 (3) represent that the person is a licensed insurer, licensed producer, or  
 10 insurance expert.

11 (d) A person transacting travel insurance under (a) of this section shall provide  
 12 to its prospective customers

13 (1) a description of the terms of the insurance coverage;

14 (2) a description of the claims process;

15 (3) a description of the review and return or cancellation process;

16 (4) the identity and contact information for the insurer and the travel  
 17 insurance limited producer;

18 (5) notice that a customer is not required to purchase travel insurance  
 19 as a condition to purchasing other travel products or services; and

20 (6) a statement that a person transacting travel insurance may provide  
 21 general information about the insurance offered, including a description of the  
 22 coverage and price, but is not qualified or authorized to answer questions about the  
 23 terms and conditions of the insurance offered or to evaluate the adequacy of the  
 24 customer's insurance coverage.

25 (e) A travel insurance limited producer licensed under this section shall

26 (1) maintain, in a format prescribed by the director, a register of each  
 27 person who transacts travel insurance on behalf of and under the direction of the travel  
 28 insurance limited producer and make the register available to the director on request;  
 29 the register must include

30 (A) the identity and contact information of the person  
 31 transacting travel insurance;

1 (B) the identity of a person who directs or controls the person  
2 who transacts travel insurance; and

3 (C) the federal employment identification number of a person  
4 who directs or controls the person who transacts travel insurance;

5 (2) certify that the person transacting travel insurance complies with 18  
6 U.S.C. 1033; and

7 (3) require a person transacting travel insurance satisfactorily to  
8 complete a training program that, at a minimum, contains instruction on the type of  
9 insurance offered, ethical practices, and the disclosures that must be provided to its  
10 prospective customers; the training program may be reviewed by the director.

11 (f) A travel insurance limited producer is liable for the acts of a person  
12 transacting travel insurance on behalf of and under the direction of the producer. The  
13 travel insurance limited producer shall designate one of its employees as the person  
14 responsible for the travel insurance limited producer's compliance with applicable  
15 travel insurance laws and regulations.

16 (g) Travel insurance may be provided under an individual policy or under a  
17 group or master policy.

18 (h) In this section, "travel insurance"

19 (1) means insurance coverage for personal risks connected to travel,  
20 including

21 (A) trip interruption or cancellation;

22 (B) lost baggage or personal effects;

23 (C) damage to accommodations or rental vehicles; or

24 (D) sickness, accident, disability, or death occurring during  
25 travel;

26 (2) does not include comprehensive medical insurance that provides  
27 coverage during trips lasting six months or longer.