



SENATE OF PENNSYLVANIA BILL SUMMARY

Senate Bill 630 Printer's No. 704

Prime Sponsor: Reschenthaler
Committee: Banking and Insurance

SYNOPSIS:

Establishes the Travel Insurance Modernization Act

SUMMARY:

Reforms insurance licensure requirements to establish procedures for a limited lines travel insurance producer license.

A limited lines travel insurance producer is required to hold a limited lines travel insurance license to sell, solicit or negotiate coverage under a policy of travel insurance.

A limited lines license issued under this act authorizes a travel retailer registered under the license of the limited lines producer, and each employee or authorized representatives of the travel retailer, to offer and disseminate coverage under of policy of travel insurance to a customer at each location where the travel retailer or authorized representative engages in travel insurance transactions and to receive compensation for those activities.

At the time of licensure, the travel insurance producer shall establish and maintain a register of each travel retailer in this Commonwealth where travel insurance is offered on the limited lines travel insurance producer's behalf and shall be maintained and updated annually.

The insurer issuing travel insurance must either directly supervise or authorize a training program for employees or representatives of the travel retailer.

A travel retailer shall make available to every prospective retailer certain written materials including contact information for the insurer, disclosures regarding duplications of coverage, an explanation that travel insurance is not required and an explanation that an unlicensed travel retailer is permitted to answer general questions regarding travel insurance only. Unlicensed travel retailers are not permitted to answer more technical questions such as terms and conditions or the customer's existing coverage.

Travel retailers may not be compensated primarily on the number of travel insurance purchases, however, nothing prohibits compensation that is incidental to the overall compensation of the travel retailer.

If the Insurance Commissioner determines that a travel retailer or employee or representative has violated any provision of this act, the Commissioner may (without notice or hearing) order a corrective action plan or direct the travel insurance producer to revoke the authorization of the travel retailer to offer or disseminate travel insurance. After a hearing, the commissioner may suspend or revoke the travel insurance producers license, impose monetary penalties or impose other conditions and penalties as deemed appropriate.

A nonrefundable fee of \$400 shall accompany an application or renewal for limited lines travel insurance license. The commissioner may adjust the license fee no more than once annually.

Effective Date: 120 days

BILL HISTORY:

Prepared by: Logue 4/13/2017