

FOR HCIFS REVIEW
W/ FISCAL

4/14/20 LD 2143

Final review 7/9/20

DRAFT

L.D. 2143

(Filing No. H-)

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT " " to H.P. 1532, L.D. 2143, Bill, "An Act Regarding Travel Insurance in the Maine Insurance Code"

Amend the bill by inserting after the enacting clause and before section 1 the following:

'Sec. 1. 24-A MRSA §708, sub-§1, ¶B, as enacted by PL 1969, c. 132, §1, is amended to read:

B. "Marine protection and indemnity insurance," meaning insurance against, or against legal liability of the insured for, loss, damage or expense arising out of, or incident to, the ownership, operation, chartering, maintenance, use, repair or construction of any vessel, craft or instrumentality in use in ocean or inland waterways, including liability of the insured for personal injury, illness or death or for loss of or damage to the property of another person; and

Sec. 2. 24-A MRSA §708, sub-§1, ¶C is enacted to read:

C. Travel insurance as described in section 1420-F, subsection 1, paragraph H.'

Amend the bill in section 1 in paragraph H in the first line (page 1, line 4 in L.D.) by striking out the following: "~~which is a limited line and~~" and inserting the following: 'which is a limited line and'

Amend the bill by striking out all of sections 2 and 3.

Amend the bill by striking out all of section 7 and inserting the following:

'Sec. 7. 24-A MRSA §7053, sub-§1, as enacted by PL 2015, c. 133, §4, is repealed and the following enacted in its place:

1. Issuance of license. Licenses to sell, solicit or negotiate travel insurance are governed by this subsection.

A. Upon receipt of an application in the form and manner prescribed by the superintendent, the superintendent may issue a supervising travel insurance producer license, which is a limited license, to a business entity authorizing the business entity

1 to sell, solicit or negotiate travel insurance as a supervising travel insurance producer
2 on behalf of a licensed insurer. A person may not act as a supervising travel
3 insurance producer unless licensed under this subsection or as provided in section
4 7052-A, subsection 1. A travel retailer may not sell, solicit or negotiate travel
5 insurance unless licensed as a producer or registered in accordance with section 7054,
6 subsection 2.

7 B. A person licensed in a major line of authority as an insurance producer may sell,
8 solicit and negotiate travel insurance.'

9 Amend the bill by inserting after section 11 the following:

10 '**Sec. 12. 24-A MRSA §7054, sub-§7** is enacted to read:

11 7. Notice to the superintendent. Any business entity acting as a supervising travel
12 producer without being specifically licensed as such in accordance with section 7053,
13 subsection 1 shall provide notice to the superintendent of the following:

14 A. The fact that the business entity is acting as a supervising travel insurance
15 producer;

16 B. The identity of any travel retailers that offer travel insurance on the business
17 entity's behalf in accordance with subsection 2; and

18 C. The name and license number of the business entity's designated responsible
19 producer.

20 The notice required by this subsection must be provided within 30 days of the
21 commencement of the business entity's supervising travel insurance producer activities in
22 the State on a form required by the superintendent.'

23 Amend the bill in section 12 in §7056 by striking out all of subsection 1 (page 7, lines
24 2 to 10 in L.D.) and inserting the following:

25 '1. Policy. Notwithstanding any provision of this Title to the contrary, travel
26 insurance rates and forms must be filed with the superintendent. For purposes of such
27 filings, travel insurance must be classified and filed for purposes of rates and forms as
28 inland marine insurance, except that travel insurance that provides coverage for sickness,
29 accident, disability or death occurring during travel, either exclusively or in conjunction
30 with related coverages of emergency evacuation or repatriation of remains, or incidental
31 limited property and casualty benefits such as baggage or trip cancellation, may, subject
32 to the superintendent's discretion, be filed as either health insurance or inland marine
33 insurance. Travel insurance may be provided under an individual policy or under a group
34 or master blanket travel insurance policy.'

35 Amend the bill in section 12 in §7056 in subsection 4 in the 4th line (page 7, line 20
36 in L.D.) by striking out the following: "lines of"

37 Amend the bill in section 15 in §7059 in subsection 3 by striking out all of paragraph
38 A (page 8, lines 28 to 31 in L.D.) and inserting the following:

39 'A. All documents provided to consumers prior to the purchase of travel insurance,
40 including, but not limited to, policy summaries, sales materials, advertising materials
41 and marketing materials, must be consistent with the travel insurance policy,

1 including, but not limited to, forms, endorsements, policies, rate filings and
2 certificates of insurance.'

3 Amend the bill in section 15 in §7059 in subsection 3 in paragraph B in the 2nd line
4 (page 8, line 33 in L.D.) by striking out the following: "an opportunity" and inserting the
5 following: 'a reasonable opportunity'

6 Amend the bill in section 16 in §7060 in subsection 3 in the 2nd line (page 10, line 9
7 in L.D.) by inserting after the following: "insurer" the following: 'including any affiliate
8 of the insurer acting as a travel administrator for the direct and assumed insurance
9 business of the affiliated insurer.'

10 Amend the bill in section 17 in §7061 in the last line (page 10, line 15 in L.D.) by
11 inserting after the following: "chapter." the following: 'Rules adopted pursuant to this
12 section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.'

13 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
14 section number to read consecutively.

15

SUMMARY

16 This amendment adds language requiring from any business entity acting as a
17 supervising travel producer without being specifically licensed the provision of certain
18 notices to the superintendent. The amendment clarifies that travel insurance remains a
19 limited line of insurance and that it must be classified and filed as inland marine
20 insurance. The amendment updates the definition of "marine and transportation
21 insurance" to include travel insurance. The amendment also makes other clarifying
22 changes to the bill.



Approved: 04/07/20 *MAC*

129th MAINE LEGISLATURE

LD 2143

LR 3221(02)

An Act Regarding Travel Insurance in the Maine Insurance Code

Fiscal Note for Bill as Amended by Committee Amendment " "
Committee: Health Coverage, Insurance and Financial Services
Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds
Minor revenue impact- Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Department of Professional and Financial Regulation, Bureau of Insurance, to implement the provisions of this bill are expected to be minor and can be absorbed within existing budgeted resources. Various provisions in the bill may increase or decrease overall revenue collected by the Bureau of Insurance, but any impact on revenue is expected to be minor.