

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Title 12, Insurance Code, is amended by adding Chapter 3504 to read as follows:

CHAPTER 3504. TRAVEL INSURANCE

Sec. 3504.0001. DEFINITIONS. In this chapter:

(1) "Aggregator site" means a website that provides access to information regarding insurance products from more than one insurer, including product and insurer information, for use in comparison shopping.

(2) "Blanket travel insurance" means a policy of travel insurance issued to an eligible group that provides coverage for specific classes of persons with coverage provided to each member of the eligible group defined in the policy without a separate charge to individual members of the eligible group.

(3) "Cancellation fee waiver" means a contractual agreement between a supplier of travel services and the supplier's customer to waive some or all of the nonrefundable cancellation fee provisions of the supplier's underlying travel contract with or without regard to the reason for the cancellation or form of reimbursement. A cancellation fee waiver is not insurance.

(4) "Eligible group" means two or more persons who are engaged in a common enterprise or have an economic, educational, or social affinity or relationship, including any of the following:

(A) an entity engaged in the business of providing travel or travel services, including a tour operator, a lodging provider, a vacation property owner, a hotel or resort, a travel club, a travel agency, a property manager, a cultural exchange program, and a common carrier or the operator, owner, or lessor of a means of transportation of passengers, including an airline, a cruise line, a railroad, a steamship company, and

SENATE VERSION (IE)

SECTION 1. Title 12, Insurance Code, is amended by adding Chapter 3504 to read as follows:

CHAPTER 3504. TRAVEL INSURANCE

Sec. 3504.0001. DEFINITIONS. In this chapter:

(1) "Aggregator site" means an Internet website that provides access to information regarding insurance products from more than one insurer, including product and insurer information, for use in comparison shopping. [FA1(1)]

(2) "Blanket travel insurance" means a policy of travel insurance issued to an eligible group that provides coverage for specific classes of persons with coverage provided to each member of the eligible group defined in the policy without a separate charge to individual members of the eligible group.

(3) "Cancellation fee waiver" means a contractual agreement between a supplier of travel services and the supplier's customer to waive some or all of the nonrefundable cancellation fee provisions of the supplier's underlying travel contract with or without regard to the reason for the cancellation or form of reimbursement. A cancellation fee waiver is not insurance.

(4) "Eligible group" means two or more persons who are engaged in a common enterprise or have an economic, educational, or social affinity or relationship, including any of the following:

(A) an entity engaged in the business of providing travel or travel services, including a tour operator, a lodging provider, a vacation property owner, a hotel or resort, a travel club, a travel agency, a property manager, a cultural exchange program, and a common carrier or the operator, owner, or lessor of a means of transportation of passengers, including an airline, a cruise line, a railroad, a steamship company, and

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

a public bus carrier, wherein with regard to any particular travel or type of travel or travelers, all members or customers of the group must have a common exposure to risk attendant to the travel;

(B) a college, school, or other institution of learning covering students, teachers, employees, or volunteers;

(C) an employer covering a board of directors or a group of employees, volunteers, contractors, dependents, or guests;

(D) a sports team or camp or sponsor of a team or camp covering participants, members, campers, employees, officials, supervisors, or volunteers;

(E) a religious, charitable, recreational, educational, or civic organization or branch of the organization covering members, participants, or volunteers;

(F) a financial institution or financial institution vendor or a parent holding company, trustee, or agent or designee of a financial institution or financial institution vendor covering persons, including account holders, credit card holders, debtors, guarantors, or purchasers;

(G) an incorporated or unincorporated association, including a labor union that has a common interest, constitution, and bylaws, organized and maintained in good faith for a purpose other than obtaining insurance for the association's members or participants;

(H) a trust, or the trustees of a fund, established, created, or maintained for the benefit of and covering members, employees, or customers of one or more associations meeting the requirements of Paragraph (G), subject to the commissioner's approval and the state premium tax provisions of Section 3504.0005;

SENATE VERSION (IE)

a public bus carrier, wherein with regard to any particular travel or type of travel or travelers, all members or customers of the group must have a common exposure to risk attendant to the travel;

(B) a college, school, or other institution of learning covering students, teachers, employees, or volunteers;

(C) an employer covering a board of directors or a group of employees, volunteers, contractors, dependents, or guests;

(D) a sports team or camp or sponsor of a team or camp covering participants, members, campers, employees, officials, supervisors, or volunteers;

(E) a religious, charitable, recreational, educational, or civic organization or branch of the organization covering members, participants, or volunteers;

(F) a financial institution or financial institution vendor or a parent holding company, trustee, or agent or designee of a financial institution or financial institution vendor covering persons, including account holders, credit card holders, debtors, guarantors, or purchasers;

(G) an incorporated or unincorporated association, including a labor union that has a common interest, constitution, and bylaws, organized and maintained in good faith for a purpose other than obtaining insurance for the association's members or participants;

(H) a trust, or the trustees of a fund, established, created, or maintained for the benefit of and covering members, employees, or customers of one or more associations meeting the requirements of Paragraph (G), subject to the commissioner's approval and the state premium tax provisions of Section 3504.0005;

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(I) an entertainment production company covering a group of participants, volunteers, audience members, contestants, or workers;

(J) a volunteer fire department or an ambulance, rescue, police, court, first aid, or civil defense volunteer group or other similar volunteer group;

(K) a preschool, a daycare institution for children or adults, or a senior citizen club;

(L) an automobile or truck rental or leasing company covering a group of individuals who may become renters, lessees, or passengers defined by the individual's status on the rented or leased vehicles, in which circumstance the common carrier, the operator, owner, or lessor of a means of transportation, or the automobile or truck rental or leasing company is the policyholder; or

(M) any other group with respect to which the commissioner has determined:

(i) the members are engaged in a common enterprise or have an economic, educational, or social affinity or relationship; and

(ii) issuance of the policy is not contrary to the public interest.

(5) "Fulfillment materials" means documentation sent to the purchaser of a travel protection plan that confirms the purchase and provides the travel protection plan's coverage and assistance details.

(6) "Group travel insurance" means travel insurance issued to an eligible group.

(7) "Planned trip" or "planned travel" means any journey or travel arranged through the services of a travel agency.

SENATE VERSION (IE)

(I) an entertainment production company covering a group of participants, volunteers, audience members, contestants, or workers;

(J) a volunteer fire department or an ambulance, rescue, police, court, first aid, or civil defense volunteer group or other similar volunteer group;

(K) a preschool, a day-care facility for children or adults, or a senior citizen club; [FA1(2)]

(L) an automobile or truck rental or leasing company covering a group of individuals who may become renters, lessees, or passengers defined by the individual's status on the rented or leased vehicles, in which circumstance the common carrier, the operator, owner, or lessor of a means of transportation, or the automobile or truck rental or leasing company is the policyholder; or

(M) any other group with respect to which the commissioner has determined:

(i) the members are engaged in a common enterprise or have an economic, educational, or social affinity or relationship; and

(ii) issuance of the policy is not contrary to the public interest.

(5) "Fulfillment materials" means documentation sent to the purchaser of a travel protection plan that confirms the purchase and provides the travel protection plan's coverage and assistance details.

(6) "Group travel insurance" means travel insurance issued to an eligible group.

(7) "Planned trip" or "planned travel" means any journey or travel arranged through the services of a travel agency.

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(8) "Primary certificate holder," specific to Section 3504.0005, means an individual who elects and purchases travel insurance under a group policy.

(9) "Primary policyholder," specific to Section 3504.0005, means an individual who elects and purchases individual travel insurance.

(10) "Travel assistance services" means noninsurance services that do not indemnify the consumer based on a fortuitous event or result in the transfer or shifting of risk constituting the business of insurance. Travel assistance services include security advisories, destination information, vaccination and immunization information services, travel reservation services, entertainment, activity and event planning, translation assistance, emergency messaging, international legal and medical referrals, medical case monitoring, coordination of transportation arrangements, emergency cash transfer assistance, medical prescription replacement assistance, passport and travel document replacement assistance, lost luggage assistance, concierge services, and any other service that is furnished in connection with planned travel. Travel assistance services are not insurance and not related to insurance.

(11) "Travel insurance" means insurance coverage for personal risks incident to planned travel, including:

(A) interruption or cancellation of a trip or event;

(B) loss of baggage or personal effects;

(C) damages to accommodations or rental vehicles;

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

(E) emergency evacuation;

(F) repatriation of remains; or

SENATE VERSION (IE)

(8) "Primary certificate holder," specific to Section 3504.0005, means an individual who elects and purchases travel insurance under a group policy.

(9) "Primary policyholder," specific to Section 3504.0005, means an individual who elects and purchases individual travel insurance.

(10) "Travel assistance services" means noninsurance services that do not indemnify the consumer based on a fortuitous event or result in the transfer or shifting of risk constituting the business of insurance. Travel assistance services include security advisories, destination information, vaccination and immunization information services, travel reservation services, entertainment, activity and event planning, translation assistance, emergency messaging, international legal and medical referrals, medical case monitoring, coordination of transportation arrangements, emergency cash transfer assistance, medical prescription replacement assistance, passport and travel document replacement assistance, lost luggage assistance, concierge services, and any other service that is furnished in connection with planned travel. Travel assistance services are not insurance and are not related to insurance. [FA1(3)]

(11) "Travel insurance" means insurance coverage for personal risks incident to planned travel, including:

(A) interruption or cancellation of a trip or event;

(B) loss of baggage or personal effects;

(C) damages to accommodations or rental vehicles;

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

(E) emergency evacuation;

(F) repatriation of remains; or

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(G) any other contractual obligations to indemnify or pay a specified amount to the traveler on determinable contingencies related to travel as approved by the commissioner. Travel insurance does not include a major medical plan that provides comprehensive medical protection for a traveler on a trip of longer than six months, such as an individual working or residing overseas as an expatriate, or any other insurance product that must be sold by an agent with a specific agent's license.

(12) "Travel protection plan" means a plan that provides one or more of the following:

(A) travel insurance;

(B) travel assistance services; and

(C) cancellation fee waivers.

Sec. 3504.0002. APPLICABILITY. (a) This chapter applies to a travel insurance policy or certificate that:

(1) provides coverage to a resident of this state or is sold, solicited, negotiated, or offered in this state; and

(2) is delivered or issued for delivery in this state.

(b) This chapter does not apply to a cancellation fee waiver or travel assistance service except as expressly provided in this chapter.

Sec. 3504.0003. CONFLICT OF LAWS. This chapter prevails to the extent of any conflict with another provision of this code.

Sec. 3504.0004. LINE OF INSURANCE. (a) Notwithstanding any other provision of this code, travel insurance is classified and filed for purposes of rates and forms under an inland marine line of insurance, except as provided by Subsection (b).

(b) Travel insurance that provides coverage for sickness, accident, disability, or death occurring during travel,

SENATE VERSION (IE)

(G) any other contractual obligations to indemnify or pay a specified amount to the traveler on determinable contingencies related to travel as approved by the commissioner. Travel insurance does not include a major medical plan that provides comprehensive medical protection for a traveler on a trip of longer than six months, such as an individual working or residing overseas as an expatriate, or any other insurance product that must be sold by an agent with a specific agent's license.

(12) "Travel protection plan" means a plan that provides one or more of the following:

(A) travel insurance;

(B) travel assistance services; and

(C) cancellation fee waivers.

Sec. 3504.0002. APPLICABILITY. (a) This chapter applies to a travel insurance policy or certificate that:

(1) provides coverage to a resident of this state or is sold, solicited, negotiated, or offered in this state; and

(2) is delivered or issued for delivery in this state.

(b) This chapter does not apply to a cancellation fee waiver or travel assistance service except as expressly provided in this chapter.

Sec. 3504.0003. CONFLICT OF LAWS. [Deleted by FA1(4)]

Sec. 3504.0004. LINE OF INSURANCE. (a) Except as provided by Subsection (b) and notwithstanding any other provision of this code, travel insurance is classified and filed for purposes of rates and forms under an inland marine line of insurance. [FA1(5)]

(b) Travel insurance that provides coverage for sickness, accident, disability, or death occurring during travel,

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

exclusively or in conjunction with related coverage for emergency evacuation, repatriation of remains, or incidental limited property and casualty benefits, including baggage or trip cancellation, may be filed by an authorized insurer under an accident and health line of insurance or an inland marine line of insurance.

(c) Eligibility and underwriting standards for travel insurance may be developed and provided based on travel protection plans designed for individual or identified marketing or distribution channels if the standards meet underwriting standards for an inland marine line of insurance.

Sec. 3504.0005. PREMIUM TAX. (a) A travel insurer shall pay premium tax, as provided by Section 221.002, on travel insurance premiums paid by any of the following:

(1) an individual primary policyholder who is a resident of this state;

(2) a primary certificate holder who is a resident of this state and elects and purchases coverage under a group travel insurance policy; or

(3) subject to apportionment of premium in accordance with Chapter 229 or other law, a blanket travel insurance policyholder who buys a blanket travel insurance policy in this state for members of the eligible group if:

(A) the policyholder is a resident of this state;

(B) the policyholder's principal place of business is located in this state; or

(C) the principal place of business of an affiliate or subsidiary of the policyholder is located in this state.

(b) A travel insurer shall:

SENATE VERSION (IE)

exclusively or in conjunction with related coverage for emergency evacuation, repatriation of remains, or incidental limited property and casualty benefits, including baggage or trip cancellation, may be filed by an authorized insurer under an accident and health line of insurance or an inland marine line of insurance.

(c) Eligibility and underwriting standards for travel insurance may be developed and provided based on travel protection plans designed for individual or identified marketing or distribution channels if the standards meet underwriting standards for an inland marine line of insurance.

Sec. 3504.0005. PREMIUM TAX. (a) A travel insurer shall pay premium tax, as provided by Section 221.002, on travel insurance premiums paid by any of the following:

(1) an individual primary policyholder who is a resident of this state;

(2) a primary certificate holder who is a resident of this state and elects and purchases coverage under a group travel insurance policy; or

(3) a blanket travel insurance policyholder who buys a blanket travel insurance policy for members of an eligible group if:

(A) the policyholder is a resident of this state; or

(B) the policyholder's principal place of business is located in this state. [FA1(6)]

(b) A travel insurer shall:

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(1) document the state of residence or principal place of business of the policyholder or certificate holder described by Subsection (a); and

(2) report as premium only the amount allocable to travel insurance and not amounts received for travel assistance services or cancellation fee waivers.

(c) Amounts received for travel assistance services and cancellation fee waivers, whether the travel assistance services and cancellation waivers are offered separately or for a combined price authorized by Section 3504.0006, are not subject to taxation under Section 221.002(b).

Sec. 3504.0006. TRAVEL PROTECTION PLANS. A travel protection plan composed of multiple features may be offered for a combined price if:

(1) at the time of or before the consumer buys the travel protection plan it is clearly disclosed to the consumer that the plan includes travel insurance, travel assistance services, and cancellation fee waivers, as applicable, and information and an opportunity is provided for the consumer to obtain additional information regarding the features and the pricing of each feature; and

(2) the fulfillment materials:

(A) describe the travel insurance, travel assistance services, and cancellation fee waivers in the travel protection plan; and

(B) include the travel insurance disclosures and the contact information for persons providing travel assistance services and cancellation fee waivers, as applicable.

Sec. 3504.0007. SALES PRACTICES; PROHIBITED PRACTICES. (a) Offering or selling a travel insurance

SENATE VERSION (IE)

(1) document the state of residence or principal place of business of the policyholder or certificate holder described by Subsection (a); and

(2) report as premium:

(A) only the amount allocable to travel insurance and not amounts received for travel assistance services or cancellation fee waivers; and

(B) only the amount allocable to residents of this state. [FA1(7)]

(c) Amounts received for travel assistance services and cancellation fee waivers, whether the travel assistance services and cancellation waivers are offered separately or for a combined price authorized by Section 3504.0006, are not subject to taxation under Section 221.002(b).

Sec. 3504.0006. TRAVEL PROTECTION PLANS. A travel protection plan composed of multiple features may be offered for a combined price if:

(1) at the time or before the consumer buys the travel protection plan it is clearly disclosed to the consumer that the plan includes travel insurance, travel assistance services, and cancellation fee waivers, as applicable, and provides information and an opportunity for the consumer to obtain additional information regarding the features and the pricing of each feature; [FA1(8)]

(2) the fulfillment materials:

(A) describe the travel insurance, travel assistance services, and cancellation fee waivers in the travel protection plan; and

(B) include the travel insurance disclosures and the contact information for persons providing travel assistance services and cancellation fee waivers, as applicable.

Sec. 3504.0007. SALES PRACTICES; PROHIBITED PRACTICES. (a) Offering or selling a travel insurance

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

policy that could never result in payment of a claim for an insured under the policy is an unfair trade practice under Subtitle C, Title 5.

(b) All documents provided to a consumer before the purchase of travel insurance, including sales materials, advertising materials, and marketing materials, must be consistent with the travel insurance policy, including forms, endorsements, policies, rate filings, and certificates of insurance.

(c) Before the consumer buys travel insurance and subsequently in the fulfillment materials, the consumer must be provided information about any preexisting condition exclusion that is included in the travel insurance policy or certificate. The consumer must have the opportunity to learn more about the exclusion.

(d) The fulfillment materials and the information described in Section 4055.154(a) must be provided to a policyholder or certificate holder as soon as practicable after the purchase of a travel protection plan. Unless the policyholder or certificate holder has started a covered trip or filed a claim under the travel insurance coverage, the policyholder or certificate holder may cancel a policy or certificate for a full refund of the travel protection plan price. The policyholder or certificate holder must exercise the right to cancel a travel protection plan before:

(1) the 15th day after the date of delivery of the travel protection plan's fulfillment materials by United States mail or a later date specified by the plan; or

(2) the 10th day after the date of delivery of the travel protection plan's fulfillment materials by means other than United States mail or a later date specified by the plan.

SENATE VERSION (IE)

policy that could never result in payment of a claim for an insured under the policy is an unfair trade practice under Subtitle C, Title 5.

(b) All documents provided to a consumer before the purchase of travel insurance, including sales materials, advertising materials, and marketing materials, must be consistent with the travel insurance policy, including forms, endorsements, policies, rate filings, and certificates of insurance.

(c) Before the consumer buys travel insurance and subsequently in the fulfillment materials, the consumer must be provided information about any preexisting condition exclusion that is included in the travel insurance policy or certificate. The consumer must have the opportunity to learn more about the exclusion.

(d) The fulfillment materials and the information described in Section 4055.154(a) must be provided to a policyholder or certificate holder as soon as practicable after the purchase of a travel protection plan. Unless the policyholder or certificate holder has started a covered trip or filed a claim under the travel insurance coverage, the policyholder or certificate holder may cancel a policy or certificate for a full refund of the travel protection plan price. The policyholder or certificate holder must exercise the right to cancel a travel protection plan before:

(1) the 15th day after the date of delivery of the travel protection plan's fulfillment materials by United States mail or a later date specified by the plan; or

(2) the 10th day after the date of delivery of the travel protection plan's fulfillment materials by means other than United States mail or a later date specified by the plan.

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(e) For the purposes of this section, delivery means handing fulfillment materials to the policyholder or certificate holder or sending fulfillment materials by United States mail or electronic means to the policyholder or certificate holder.

(f) The company shall disclose in the policy documentation and fulfillment materials if the travel insurance is primary or secondary to other applicable coverage.

(g) If travel insurance is marketed directly to a consumer through an insurer's website or by others through an aggregator site, it is not an unfair trade practice or other violation of law if:

(1) an accurate summary or short description of coverage is provided on the website; and

(2) the consumer has access to the full provisions of the policy through electronic means.

(h) A person offering, soliciting, or negotiating travel insurance or travel protection plans on an individual or group basis may not do so by using negative option or opt out that requires a consumer to take an affirmative action to deselect coverage, such as unchecking a box on an electronic form, when the consumer purchases a trip.

(i) It is an unfair trade practice to market blanket travel insurance coverage as free.

(j) If a consumer's destination jurisdiction requires insurance coverage, it is not an unfair trade practice to require that a consumer choose between the following options as a condition of purchasing a trip or travel package:

(1) purchasing the coverage required by the destination jurisdiction through the travel retailer or supervising entity supplying the trip or travel package; or

SENATE VERSION (IE)

(e) For the purposes of this section, delivery means handing fulfillment materials to the policyholder or certificate holder or sending fulfillment materials by United States mail or electronic means to the policyholder or certificate holder.

(f) The company shall disclose in the policy documentation and fulfillment materials if the travel insurance is primary or secondary to other applicable coverage.

(g) If travel insurance is marketed directly to a consumer through an insurer's Internet website or by others through an aggregator site, it is not an unfair trade practice or other violation of law if: [FA1(9)]

(1) an accurate summary or short description of coverage is provided on the Internet website; and [FA1(10)]

(2) the consumer has access to the full provisions of the policy through electronic means.

(h) A person offering, soliciting, or negotiating travel insurance or travel protection plans on an individual or group basis may not do so by using a negative option or opt out that requires a consumer to take an affirmative action to deselect coverage, such as unchecking a box on an electronic form, when the consumer purchases a trip. [FA1(11)]

(i) It is an unfair trade practice to market blanket travel insurance coverage as free.

(j) If a consumer's destination jurisdiction requires insurance coverage, it is not an unfair trade practice to require that a consumer choose between the following options as a condition of purchasing a trip or travel package:

(1) purchasing the coverage required by the destination jurisdiction through the travel retailer or supervising entity supplying the trip or travel package; or

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(2) agreeing to obtain and provide proof of coverage that meets the destination jurisdiction's requirements before departure.

Sec. 3504.0008. RULEMAKING. The commissioner shall adopt rules necessary to implement this chapter. Section 2001.0045, Government Code, does not apply to rules adopted under this section.

SECTION 2. Section 4055.151, Insurance Code, is amended by amending Subdivision (1) and adding Subdivisions (1-a) and (1-c) to read as follows:

(1) "Offer and disseminate" means to:

(A) provide general information, including the price and a description of the coverage; and

(B) process the application and collect premiums.

(1-a) "Planned trip" means any journey or travel arranged through the services of a travel agency.

(1-c) "Travel administrator" means a person who, directly or indirectly, underwrites, collects a charge, collateral, or a premium from, or adjusts or settles a claim of a resident of this state in connection with travel insurance. A person is not a travel administrator if the person's only actions that would otherwise cause the person to be considered a travel administrator include:

(A) the person working for a travel administrator to the extent the person's activities are subject to the supervision and control of the travel administrator;

SENATE VERSION (IE)

(2) agreeing to obtain and provide proof of coverage that meets the destination jurisdiction's requirements before departure.

Sec. 3504.0008. RULEMAKING. (a) The commissioner may adopt rules necessary to implement this chapter. Section 2001.0045, Government Code, does not apply to rules adopted under this section. [FA1(12)]

(b) The comptroller, in consultation with the commissioner, may adopt rules to implement this chapter. [FA1(13)]

SECTION 2. Section 4055.151, Insurance Code, is amended by amending Subdivision (1) and adding Subdivisions (1-a) and (1-c) to read as follows:

(1) "Offer and disseminate" means to:

(A) provide general information, including the price and a description of the coverage; and

(B) process the application and collect premiums.

(1-a) "Planned trip" means any journey or travel arranged through the services of a travel agency.

(1-c) "Travel administrator" means a person who directly or indirectly underwrites, collects a charge, collateral, or premium from, or adjusts or settles a claim of, a resident of this state in connection with travel insurance. A person is not a travel administrator if the person's only actions that would otherwise cause the person to be considered a travel administrator include: [FA1(14)]

(A) the person working for a travel administrator to the extent the person's activities are subject to the supervision and control of the travel administrator;

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(B) an insurance agent selling insurance or engaged in administrative and claims-related activities within the scope of the agent's license;

(C) a travel retailer, registered under the license of a supervising entity in accordance with this subchapter, offering and disseminating travel insurance;

(D) an individual adjusting or settling claims in the normal course of the individual's practice or employment as an attorney and who does not collect charges or premiums in connection with insurance coverage; or

(E) a business entity that is affiliated with a licensed insurer acting as a travel administrator for the direct and assumed insurance business of an affiliated insurer.

SECTION 3. Sections 4055.1515, 4055.153, and 4055.154, Insurance Code, are amended to read as follows:

Sec. 4055.1515. TRAVEL INSURANCE SUPERVISING ENTITY AND TRAVEL ADMINISTRATOR. (a) An insurer authorized to engage in the business of travel insurance in this state may designate a travel insurance supervising entity for purposes of this subchapter. The supervising entity must be:

- (1) a licensed managing general agent;
- (2) a licensed third-party administrator; [ø]
- (3) a licensed insurance agent, including a specialty license holder and a person described by Section 4055.002(a); or
- (4) a travel administrator.

(b) Notwithstanding any other provisions of this code, a person may not act or represent the person as a travel administrator for travel insurance unless the person is:

- (1) a licensed property and casualty insurance agent;

SENATE VERSION (IE)

(B) an insurance agent selling insurance or engaged in administrative and claims-related activities within the scope of the agent's license;

(C) a travel retailer, registered under the license of a supervising entity in accordance with this subchapter, offering and disseminating travel insurance;

(D) an individual adjusting or settling claims in the normal course of the individual's practice or employment as an attorney and who does not collect charges or premiums in connection with insurance coverage; or

(E) a business entity that is affiliated with a licensed insurer acting as a travel administrator for the direct and assumed insurance business of an affiliated insurer.

SECTION 3. Sections 4055.1515, 4055.153, and 4055.154, Insurance Code, are amended to read as follows:

Sec. 4055.1515. TRAVEL INSURANCE SUPERVISING ENTITY AND TRAVEL ADMINISTRATOR. (a) An insurer authorized to engage in the business of travel insurance in this state may designate a travel insurance supervising entity for purposes of this subchapter. The supervising entity must be:

- (1) a licensed managing general agent;
- (2) a licensed third-party administrator; [ø]
- (3) a licensed insurance agent, including a specialty license holder and a person described by Section 4055.002(a); or
- (4) a travel administrator.

(b) Notwithstanding any other provisions of this code, a person may not act or represent the person as a travel administrator for travel insurance unless the person is:

- (1) a licensed property and casualty insurance agent;

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

(2) a licensed managing general agent; or
(3) a third-party administrator engaging in the business of insurance in this state under a certificate of authority.

(c) A travel administrator and a travel administrator's employees are exempt from the licensing requirements under Chapter 4101 with respect to travel insurance.

(d) An insurer is responsible for the acts of a travel administrator administering travel insurance underwritten by the insurer. The insurer must ensure that the travel administrator maintains all books and records relevant to the insurer and makes the books and records available to the department on request of the commissioner.

Sec. 4055.153. AUTHORITY OF TRAVEL RETAILER.

~~[(a)]~~ A travel retailer may offer and disseminate travel insurance as a service to the retailer's customers on behalf of and under the license and direction of a supervising entity only:

(1) in connection with the sale or arrangement of transportation, accommodations, or events for travelers; and

(2) with respect to travel insurance ~~[that includes:~~

~~[(A) accident and health insurance that provides coverage to a traveler for accidental death or dismemberment and for medical expenses resulting from an accident or sickness involving the traveler that occurs during the planned trip;~~

~~[(B) insurance that provides coverage to a traveler for expenses incurred as a result of trip cancellation or interruption of a planned trip or event;~~

~~[(C) personal effects insurance that provides coverage to a traveler for loss of or damage to personal effects during the planned trip or event;~~

~~[(D) insurance that provides coverage for damage to accommodations or rental vehicles; or~~

SENATE VERSION (IE)

(2) a licensed managing general agent; or
(3) a third-party administrator engaging in the business of insurance in this state under a certificate of authority.

(c) A travel administrator and a travel administrator's employees are exempt from the licensing requirements under Chapter 4101 with respect to travel insurance.

(d) An insurer is responsible for the acts of a travel administrator administering travel insurance underwritten by the insurer. The insurer must ensure that the travel administrator maintains all books and records relevant to the insurer and makes the books and records available to the department on request of the commissioner.

Sec. 4055.153. AUTHORITY OF TRAVEL RETAILER.

~~[(a)]~~ A travel retailer may offer and disseminate travel insurance as a service to the retailer's customers on behalf of and under the license and direction of a supervising entity only:

(1) in connection with the sale or arrangement of transportation, accommodations, or events for travelers; and

(2) with respect to travel insurance ~~[that includes:~~

~~[(A) accident and health insurance that provides coverage to a traveler for accidental death or dismemberment and for medical expenses resulting from an accident or sickness involving the traveler that occurs during the planned trip;~~

~~[(B) insurance that provides coverage to a traveler for expenses incurred as a result of trip cancellation or interruption of a planned trip or event;~~

~~[(C) personal effects insurance that provides coverage to a traveler for loss of or damage to personal effects during the planned trip or event;~~

~~[(D) insurance that provides coverage for damage to accommodations or rental vehicles; or~~

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

~~[(E) any other coverage the commissioner approves as meaningful and appropriate in connection with the transportation or accommodations arranged through a travel agency].~~

~~[(b) Travel insurance does not include major medical expense coverage for a traveler on a planned trip for six months or more, including:~~

~~[(1) an individual working abroad;~~

~~[(2) an expatriate; and~~

~~[(3) a military service member on deployment.]~~

Sec. 4055.154. TRAVEL INSURANCE GENERALLY. (a) A travel retailer, or the supervising entity, shall provide to a traveler seeking to purchase travel insurance:

(1) a description of the material terms or the actual terms of the insurance coverage;

(2) a description of the claims filing process;

(3) a description of the review and cancellation process for the travel insurance policy; and

(4) the name and contact information for the insurer and the supervising entity.

(b) Travel insurance coverage may be provided under an individual, ~~[policy or a group]~~, or blanket [master] policy as defined by Section 3504.0001.

SECTION 4. Section 4055.155, Insurance Code, is amended by amending Subsection (e) and adding Subsections (g-1) and (j) to read as follows:

(e) The supervising entity must certify in a form prescribed by the commissioner by rule that each registered travel retailer is in compliance with 18 U.S.C. Section 1033. The

SENATE VERSION (IE)

~~[(E) any other coverage the commissioner approves as meaningful and appropriate in connection with the transportation or accommodations arranged through a travel agency].~~

~~[(b) Travel insurance does not include major medical expense coverage for a traveler on a planned trip for six months or more, including:~~

~~[(1) an individual working abroad;~~

~~[(2) an expatriate; and~~

~~[(3) a military service member on deployment.]~~

Sec. 4055.154. TRAVEL INSURANCE GENERALLY. (a) A travel retailer, or the supervising entity, shall provide to a traveler seeking to purchase travel insurance:

(1) a description of the material terms or the actual terms of the insurance coverage;

(2) a description of the claims filing process;

(3) a description of the review and cancellation process for the travel insurance policy; and

(4) the name and contact information for the insurer and the supervising entity.

(b) Travel insurance coverage may be provided under an individual ~~[policy]~~ or ~~[a group]~~ insurance policy or a blanket travel insurance [master] policy, as defined by Section 3504.0001. [FA1(15)]

SECTION 4. Same as House version.

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

grounds for suspension or revocation and the penalties that apply to a resident insurance agent apply to a supervising entity and travel retailer.

(g-1) The supervising entity shall pay all applicable licensing fees required by state law with respect to travel insurance.

(j) Any person licensed in a major line of authority, as determined by the commissioner, as an insurance agent may sell, solicit, and negotiate travel insurance. A property and casualty insurance agent is not required to be appointed by an insurer to sell, solicit, or negotiate travel insurance.

SECTION 5. Subchapter D, Chapter 4055, Insurance Code, is amended by adding Section 4055.158 to read as follows:
Sec. 4055.158. RULEMAKING. The commissioner shall adopt rules necessary to implement this subchapter. Section 2001.0045, Government Code, does not apply to rules adopted under this section.

SECTION 6. Section 221.002(b), Insurance Code, is amended to read as follows:

(b) Except as provided by Subsection (c), in determining an insurer's taxable premium receipts, the insurer shall include the total gross amounts of premiums, membership fees, assessments, dues, revenues, and any other considerations for insurance written by the insurer in a calendar year from any kind of insurance written by the insurer on each kind of property or risk located in this state, including:

- (1) fire insurance;
- (2) ocean marine insurance;

SENATE VERSION (IE)

SECTION 5. Same as House version.

SECTION 6. Same as House version.

CONFERENCE

House Bill 2587
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

- (3) inland marine insurance;
- (4) accident insurance;
- (5) credit insurance;
- (6) livestock insurance;
- (7) fidelity insurance;
- (8) guaranty insurance;
- (9) surety insurance;
- (10) casualty insurance;
- (11) workers' compensation insurance;
- (12) employers' liability insurance;
- (13) crop insurance written by a farm mutual insurance company; ~~and~~
- (14) home warranty insurance; and
- (15) travel insurance.

SECTION 7. This Act takes effect September 1, 2019.

SENATE VERSION (IE)

SECTION 7. Same as House version.

CONFERENCE