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S.F. No. 3779

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A bill for an act

relating to travel insurance; providing for the licensing and registration of limited lines travel insurance producers and travel retailers; providing for the sale and regulation of travel insurance; amending Minnesota Statutes 2024, section 60K.383; proposing coding for new law as Minnesota Statutes, chapter 65C.

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

Section 1. Minnesota Statutes 2024, section 60K.383, is amended to read:

60K.383 TRAVEL INSURANCE.

Subdivision 1. **Definitions.** (a) As used in this section, the terms in paragraphs (b) to ~~(d)~~ (e) have the meanings given.

(b) "Limited lines travel insurance producer" means a licensed managing general agent or third-party administrator; licensed insurance producer, including a limited lines producer; or travel administrator, as defined in section 65C.02, subdivision 13.

(c) "Offer and disseminate" means providing general information, including a description of coverage and price, as well as processing an application and collecting premiums.

~~(b)~~ (d) "Travel insurance" means insurance coverage for personal risks incident to planned travel, including~~,~~ but not limited to:

(1) interruption or cancellation of trip or event;

(2) loss of baggage or personal effects;

(3) damages to accommodations or rental vehicles; ~~or~~

(4) sickness, accident, disability, or death occurring during travel~~.~~;

(5) emergency evacuation;

(6) repatriation of remains; or

(7) a contractual obligation to indemnify or pay a specified amount of money to the traveler upon determinable contingencies related to travel, as approved by the commissioner.

Travel insurance does not include major medical plans, which provide comprehensive medical protection for travelers with trips lasting six months or longer, including those working overseas as an expatriate or military personnel being deployed, or a product that requires a specific insurance producer license.

~~(c) "Travel insurance producer" means an insurer designee, such as a managing general underwriter, managing general agent, or licensed limited lines producer of travel insurance.~~

~~(d)~~ (e) "Travel retailer" means a business entity that ~~offers and disseminates~~:

(1) makes, arranges, or offers planned travel; and

(2) may offer and disseminate travel insurance as a service to the travel retailer's customers on behalf of and under the direction of a limited lines travel insurance producer.

Subd. 2. ~~**Travel retailer license**~~ **Licensing and registration.** (a) The commissioner may issue a limited lines travel insurance producer license to an individual or business entity that has filed with the commissioner a limited lines travel insurance producer license application in a form and manner prescribed by the commissioner. A limited lines travel insurance producer must be licensed to sell, solicit, or negotiate travel insurance through a licensed insurer. A person is prohibited from acting as a limited lines travel insurance producer or travel insurance retailer unless the person is licensed or registered.

(b) A travel retailer may offer and disseminate travel insurance on behalf of and under a limited lines travel insurance producer business entity license only if ~~the travel insurance producer holds a business entity license, and~~:

~~(1) the licensed business entity is clearly identified as the licensed producer on marketing materials and fulfillment packages distributed by travel retailers to customers; identification shall include the entity's name and contact information;~~

(1) the limited lines travel insurance producer or travel retailer provides to travel insurance purchasers:

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

(ii) a description of the process to file a claim;

(iii) a description of the process to review or cancel the travel insurance policy; and

(iv) the identity and contact information of the insurer and limited lines travel insurance producer;

(2) the ~~licensed business entity~~ limited lines travel insurance producer keeps a register, on a form prescribed by the commissioner, of each travel retailer that offers travel insurance on the licensed business entity's behalf. The register must be maintained and updated by the limited lines travel insurance producer and must include (i) the name, address, and contact information of the travel retailer and an officer or person who directs or controls the travel retailer's operations, and (ii) the travel retailer's federal ~~Employer~~ Tax Identification Number. The ~~licensed business entity shall~~ limited lines travel insurance producer must also certify that the travel retailer registered complies with United States Code, title 18, section 1033. The ~~licensed business entity shall~~ limited lines travel insurance producer must submit the register within 30 days upon request by the commissioner. Section 60K.43, subdivisions 1, 3, and 4, apply to the limited lines travel insurance producers and travel retailers;

(3) the ~~licensed business entity~~ limited lines travel insurance producer has designated one of its employees ~~as~~ who is a licensed individual producer~~,~~ as a "designated responsible producer" or "DRP~~,~~" responsible for the business entity's compliance with Minnesota insurance laws and rules;

(4) the DRP, president, secretary, treasurer, and any other officer or person who directs or controls the ~~licensed business entity's~~ limited lines travel insurance producer's insurance operations ~~comply~~ complies with the fingerprinting requirements applicable to insurance producers in the resident state of the ~~business entity~~ limited lines travel insurance producer;

(5) the ~~licensed business entity~~ limited lines travel insurance producer has paid all applicable insurance producer licensing fees ~~as~~ set forth in Minnesota ~~state~~ law; and

(6) the ~~licensed business entity~~ limited lines travel insurance producer requires each employee and authorized representative of the travel retailer whose duties include offering and disseminating travel insurance to receive a program of instruction or training, which may be subject to review by the commissioner. The training materials must, at a minimum, contain adequate instruction regarding the types of insurance offered, ethical sales practices, and required disclosures provided to prospective customers.

(c) A travel retailer offering or disseminating travel insurance must make available to prospective purchasers a brochure or other written materials that have been approved by the travel insurer. The materials must include information that, at a minimum:

(1) provides the identity and contact information of the insurer and the limited lines travel insurance producer;

(2) explains that a person is not required to purchase travel insurance in order to purchase any other product or service from the travel retailer; and

(3) explains that an unlicensed travel retailer is permitted to provide only general information about the insurance offered by the travel retailer, including a description of the coverage and price, but is not qualified or authorized to (i) answer technical questions about the terms and conditions of the insurance offered by the travel retailer, or (ii) evaluate the adequacy of the customer's existing insurance coverage.

(d) A travel retailer employee or authorized representative who is not licensed as an insurance producer is prohibited from:

(1) evaluating or interpreting the technical terms, benefits, and conditions contained in the offered travel insurance coverage;

(2) evaluating or providing advice concerning a prospective purchaser's existing insurance coverage; or

(3) representing that the travel retailer employee or authorized representative is a licensed insurer, licensed producer, or insurance expert.

Subd. 3. **Offer and dissemination of travel insurance; compensation.** Notwithstanding any other law, a travel retailer whose insurance-related activities, and those of its employees and authorized representatives, are limited to offering and disseminating travel insurance on behalf of and under the direction of a ~~licensed business entity~~ limited lines travel insurance producer meeting the conditions stated in this section~~,~~ is authorized to do so and receive related compensation~~,~~ upon registration by the ~~licensed business entity. For purposes of this section, "offering and disseminating" means providing general information, including a description of the coverage and price, as well as processing the application, collecting premiums, and performing other nonlicensable activities permitted by the state~~ limited lines travel insurance producer as provided under subdivision 2, paragraph (b), clause (2).

Subd. 4. **Insurer designee.** As the ~~insurer~~ insurer's designee, the limited lines travel insurance producer is responsible for the acts of the travel retailer and must use reasonable means to ensure compliance by the travel retailer with this section and chapter 65C.

Subd. 5. **Producers of major lines of insurance.** A person licensed in a major line of authority as an insurance producer is authorized to sell, solicit, and negotiate travel insurance.

A property and casualty insurance producer is not required to be appointed by an insurer in order to sell, solicit, or negotiate travel insurance.

Sec. 2. **[65C.01] SCOPE AND PURPOSES.**

Subdivision 1. **Purpose.** The purpose of this chapter is to promote the public welfare by creating a comprehensive legal framework within which travel insurance may be sold in Minnesota.

Subd. 2. **Application.** (a) This chapter applies to:

(1) travel insurance that covers any Minnesota resident and is sold, solicited, negotiated, or offered in Minnesota; and

(2) policies and certificates that are delivered or issued for delivery in Minnesota.

(b) This chapter does not apply to cancellation fee waivers or travel assistance services, except as expressly provided in this chapter.

Subd. 3. **Applicability of other law.** All other applicable provisions of Minnesota insurance law apply to travel insurance, except that this chapter supersedes any general provisions of law that would otherwise apply to travel insurance.

Sec. 3. **[65C.02] DEFINITIONS.**

Subdivision 1. **Application.** For purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Aggregator site.** "Aggregator site" means a website that provides access to information, including product and insurer information, regarding insurance products from more than one insurer for use in comparison shopping.

Subd. 3. **Blanket travel insurance.** "Blanket travel insurance" means a travel insurance policy issued to an eligible group providing coverage for specific classes of persons defined in the policy, with coverage provided to all members of the eligible group without a separate charge to individual members of the eligible group.

Subd. 4. **Cancellation fee waiver.** "Cancellation fee waiver" means a contractual agreement between a travel services supplier and the travel services supplier's customer to waive some or all of the nonrefundable cancellation fee provisions contained in 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.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 6. **Eligible group.** "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 but not limited to:

(1) an entity engaged in the business of providing travel or travel services, including but not limited to:

(i) a tour operator, lodging provider, vacation property owner, hotel, resort, travel club, travel agency, property manager, cultural exchange program, and common carrier; or

(ii) the operator, owner, or lessor of a means of transporting passengers, including but not limited to an airline, cruise line, railroad, steamship company, and public bus carrier, if all group members or customers have a common exposure to the risk attendant to the particular type of travel;

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

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

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

(5) a religious, charitable, recreational, educational, or civic organization, or branch of a religious, charitable, recreational, educational, or civic organization covering any group of members, participants, or volunteers;

(6) a financial institution, financial institution vendor, parent holding company, trustee, or agent or designee of one or more financial institutions or financial institution vendors, including account holders, credit card holders, debtors, guarantors, or purchasers;

(7) an incorporated or unincorporated association, including a labor union, that (i) has a common interest, constitution, and bylaws, and (ii) is organized and maintained in good faith for purposes other than obtaining insurance for members or participants of the association covering the association's members;

(8) a trust or the trustees of a fund established, created, or maintained for the benefit of and to cover members, employees, or customers, subject to the commissioner authorizing the use of a trust and the state's premium tax provisions under section 65C.03 by one or more associations meeting the requirements under clause (7);

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

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

(11) a preschool, day care institution for children or adults, or senior citizen club;

(12) an automobile or truck rental or leasing company covering a group of individuals who may become renters, lessees, or passengers as defined by the group of individuals' travel status on the rented or leased vehicles. The common carrier, operator, owner or lessor of a means of transportation, or automobile or truck rental or leasing company is the policyholder under a policy governed by this section; or

(13) any other group the commissioner determines (i) is engaged in a common enterprise or has an economic, educational, or social affinity or relationship, and (ii) that policy issuance is not contrary to the public interest.

Subd. 7. **Fulfillment materials.** "Fulfillment materials" means documentation sent to a person who purchases a travel protection plan that confirms the purchase and provides the travel protection plan's coverage and assistance details.

Subd. 8. **Group travel insurance.** "Group travel insurance" means travel insurance issued to an eligible group.

Subd. 9. **Limited lines travel insurance producer.** "Limited lines travel insurance producer" has the meaning given in section 60K.383, subdivision 1, paragraph (b).

Subd. 10. **Offer and disseminate.** "Offer and disseminate" has the meaning given in section 60K.383, subdivision 1, paragraph (c).

Subd. 11. **Primary certificate holder.** "Primary certificate holder" means an individual person who elects and purchases travel insurance under a group policy.

Subd. 12. **Primary policyholder** "Primary policyholder" means an individual person who elects and purchases individual travel insurance.

Subd. 13. **Travel administrator.** "Travel administrator" means a person who directly or indirectly underwrites; collects charges, collateral, or premiums from; or adjusts or settles claims on residents of Minnesota in connection with travel insurance. A person is not a travel administrator if the person's only actions that otherwise indicate the person is a travel administrator are:

(1) a person works for a travel administrator, to the extent that the person's activities are subject to the travel administrator's supervision and control;

(2) an insurance producer sells insurance or engages in administrative and claims-related activities within the scope of the producer's license;

(3) a travel retailer (i) offers and disseminates travel insurance, and (ii) is registered under the license of a limited lines travel insurance producer under this chapter;

(4) an individual who (i) adjusts or settles claims in the normal course of the individual's practice or employment as an attorney, and (ii) does not collect charges or premiums in connection with insurance coverage; or

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

Subd. 14. **Travel assistance services.** "Travel assistance services" means noninsurance services (1) for which the consumer is not indemnified based on a fortuitous event, and (2) where providing the service does not result in transfer or shifting of risk that would constitute the business of insurance. Travel assistance services include but are not limited to: 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.

Subd. 15. **Travel insurance.** "Travel insurance" has the meaning given in section 60K.383, subdivision 1, paragraph (d).

Subd. 16. **Travel protection plan.** "Travel protection plan" means a plan that provides:

(1) travel insurance;

(2) travel assistance services; or

(3) cancellation fee waivers.

Subd. 17. **Travel retailer.** "Travel retailer" has the meaning given in section 60K.383, subdivision 1, paragraph (e).

Sec. 4. **[65C.03] PREMIUM TAX.**

Subdivision 1. **Payment required.** A travel insurer must pay the premium tax provided under section 297I.05 on travel insurance premiums paid by:

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

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

(3) a blanket travel insurance policyholder that is a resident of, or has the policyholder's principal place of business or the principal place of business of an affiliate or subsidiary that has purchased blanket travel insurance in, Minnesota for eligible blanket group members, subject to apportionment rules that apply to the insurer across multiple taxing jurisdictions or that permit the insurer to allocate premium on an apportioned basis in a reasonable and equitable manner in the taxing jurisdictions.

Subd. 2. **Additional information required.** A travel insurer must:

(1) document the state of residence or principal place of business of the policyholder or certificate holder, as required under subdivision 1; and

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

Sec. 5. **[65C.04] TRAVEL PROTECTION PLANS.**

A travel protection plan may be offered at one price for the combined features that the travel protection plan offers in Minnesota if:

(1) the travel protection plan:

(i) clearly discloses to the consumer, at or before the time the travel protection plan is purchased, that the travel protection plan includes travel insurance, travel assistance services, and cancellation fee waivers, as applicable; and

(ii) provides information and an opportunity, at or prior to the time the travel protection plan is purchased, for the consumer to obtain additional information regarding the features and pricing of the travel insurance, travel assistance services, and cancellation fee waivers; and

(2) the fulfillment materials:

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

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

Sec. 6. **[65C.05] SALES PRACTICES.**

Subdivision 1. **Other applicable law.** Except as otherwise provided in this section, a person offering travel insurance to residents of Minnesota is subject to sections 72A.17 to 72A.32. If this chapter conflicts with chapters 59A to 79A regarding the sale and marketing of travel insurance and travel protection plans, this chapter prevails.

Subd. 2. **Illusory travel insurance.** A person that offers or sells a travel insurance policy that could never result in payment of claims for an insured individual under the policy is engaging in an unfair trade practice under sections 72A.17 to 72A.32.

Subd. 3. **Marketing.** (a) All documents provided to consumers before purchasing travel insurance, including but not limited to sales materials, advertising materials, and marketing materials, must be consistent with the travel insurance policy, including but not limited to forms, endorsements, policies, rate filings, and certificates of insurance.

(b) A person that offers travel insurance policies or certificates that contain preexisting condition exclusions must, before the insurance is purchased, provide a consumer with information and an opportunity to learn more about the preexisting condition exclusions. The information about preexisting condition exclusions must be included in the insurance policy's coverage fulfillment materials.

(c) The fulfillment materials and the information described in section 60K.383, subdivision 2, paragraph (b), clause (1), must be provided to a policyholder or certificate holder as soon as practicable after a travel protection plan is purchased. Unless the insured individual has started a covered trip or filed a claim under the travel insurance coverage, a policyholder or certificate holder may cancel a policy or certificate for a full refund of the travel protection plan price from the date a travel protection plan is purchased until at least:

(1) 15 days after the date the travel protection plan's fulfillment materials are delivered by mail; or

(2) ten days after the date the travel protection plan's fulfillment materials are delivered by means other than mail.

(d) For purposes of this section, "delivery" means (1) handing fulfillment materials to the policyholder or certificate holder, or (2) sending fulfillment materials by mail or electronic means to the policyholder or certificate holder.

(e) The company must disclose in the policy documentation and fulfillment materials whether the travel insurance is primary or secondary to other applicable coverage.

(f) Travel insurance that is marketed directly to a consumer through an insurer's website or by others through an aggregator site is not an unfair trade practice or other violation of law if an accurate summary or short description of coverage is provided on the web page, provided the consumer has access to the policy's full provisions by electronic means.

Subd. 4. **Opt out.** A person that offers, solicits, or negotiates travel insurance or travel protection plans on an individual or group basis is prohibited from offering, soliciting, or negotiating travel insurance or travel protection plans by using negative option or opting out that requires a consumer to take an affirmative action to deselect coverage, including by unchecking a box on an electronic form, when the consumer purchases a trip.

Subd. 5. **Other prohibitions.** A person that markets blanket travel insurance coverage as free of cost is engaging in an unfair trade practice.

Subd. 6. **Coverage required by other jurisdictions.** If a consumer's destination jurisdiction requires insurance coverage, a person does not engage in an unfair trade practice if the person requires a consumer to 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 limited lines travel insurance producer supplying the trip or travel package; or

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

Sec. 7. **[65C.06] TRAVEL ADMINISTRATORS.**

(a) Notwithstanding chapters 59A to 79A, a person is prohibited from acting as or representing that the person is a travel administrator for travel insurance in Minnesota unless the person:

(1) is a licensed property and casualty insurance producer in Minnesota for activities permitted under the property and casualty insurance producer license;

(2) holds a valid managing general agent license in Minnesota; or

(3) holds a valid third-party administrator license in Minnesota.

(b) A travel administrator and the travel administrator's employees are exempt from the licensing requirements of chapter 72B for travel insurance the travel administrator administers.

(c) An insurer is responsible for:

(1) the acts of a travel administrator administering travel insurance underwritten by the insurer; and

(2) ensuring the travel administrator maintains all books and records relevant to the insurer that the travel administrator must make available to the commissioner upon request.

Sec. 8. **[65C.07] POLICY.**

(a) Notwithstanding chapters 59A to 79A, travel insurance is classified and filed for purposes of rates and forms under an inland marine line of insurance. Notwithstanding this paragraph, travel insurance that provides coverage for illness, accident, disability, or death occurring during travel, either exclusively or in conjunction with related emergency evacuation or repatriation of remains coverage, or incidental limited property and casualty benefits, including baggage or trip cancellation, may be filed under either an accident and health line of insurance or an inland marine line of insurance.

(b) Travel insurance may be offered and issued in the form of an individual, group, or blanket policy.

(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, provided the standards also meet the underwriting standards for an inland marine line of insurance under Minnesota law.

Sec. 9. **EFFECTIVE DATE.**

Sections 1 to 8 are effective 90 days following the date of final enactment.