

State of Arizona
Senate
Fifty-fourth Legislature
Second Regular Session
2020

SENATE BILL 1041

AN ACT

AMENDING SECTION 20-281, ARIZONA REVISED STATUTES; AMENDING TITLE 20, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 28; PROVIDING FOR TRANSFERRING AND RENUMBERING; AMENDING SECTION 20-3503, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED; AMENDING TITLE 20, CHAPTER 28, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 20-3504, 20-3505, 20-3506, 20-3507 AND 20-3508; RELATING TO INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-281, Arizona Revised Statutes, is amended to
3 read:

4 20-281. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Business entity" means any corporation, association,
7 partnership, limited liability company, limited liability partnership or
8 other legal entity except an individual or sole proprietorship.

9 2. "Designated producer" means the individual insurance producer
10 that a business entity designates pursuant to section 20-285, subsection
11 C, paragraph 3 as the individual responsible for the business entity's
12 compliance with the insurance laws of this state.

13 3. "Health or sickness insurance" means disability insurance as
14 defined in section 20-253.

15 4. "Home state" means the District of Columbia and any state or
16 territory of the United States in which:

17 (a) An individual insurance producer maintains a principal place of
18 residence or principal place of business and is licensed to act as a
19 resident insurance producer.

20 (b) A business entity insurance producer maintains its principal
21 place of business and is licensed to act as a resident insurance producer.

22 5. "Insurance producer" means a person required to be licensed
23 under this article to sell, solicit or negotiate insurance.

24 6. "Limited line credit insurance" means any form of insurance that
25 is offered in connection with an extension of credit and that is limited
26 to partially or wholly extinguishing that credit obligation, including
27 credit life, credit disability, credit property, credit unemployment,
28 involuntary unemployment, mortgage life, mortgage guaranty, mortgage
29 disability, guaranteed asset or automobile protection insurance and any
30 other form of insurance that is offered in connection with an extension of
31 credit, that is limited to partially or wholly extinguishing that credit
32 obligation and that the director determines should be designated a form of
33 limited line credit insurance.

34 7. "Limited line insurance" means limited line credit insurance,
35 limited line crop insurance, limited lines travel insurance under section
36 ~~20-333~~ 20-3503 and any other line of insurance that the director deems
37 necessary to recognize for the purposes of complying with section 20-287,
38 subsection C, paragraph 2.

39 8. "Major line insurance" means life insurance, accident and health
40 or sickness insurance, property insurance, casualty insurance, personal
41 lines insurance and variable insurance contracts, as described in section
42 20-286.

43 9. "Member" means, if used in reference to a business entity, a
44 person that holds an ownership interest in the business entity, excluding

1 any interest in publicly traded securities and any interest of less than
2 ten percent of the voting rights.

3 10. "Negotiate" means the act of conferring directly with or
4 offering advice directly to a purchaser or prospective purchaser of a
5 particular contract of insurance concerning any of the substantive
6 benefits, terms or conditions of the contract if the person engaged in
7 that act either sells insurance or obtains insurance from insurers for
8 purchasers.

9 11. "Nonresident" means a person whose home state is not Arizona.

10 12. "Person" means an individual or a business entity.

11 13. "Resident" means a person whose home state is Arizona and who
12 does not hold a resident insurance producer license in another state or
13 territory of the United States or in the District of Columbia.

14 14. "Sell" means to exchange a contract of insurance by any means,
15 for money or its equivalent, on behalf of an insurer.

16 15. "Solicit" means attempting to sell insurance or asking or urging
17 a person to apply for a particular kind of insurance from a particular
18 company.

19 Sec. 2. Title 20, Arizona Revised Statutes, is amended by adding
20 chapter 28, to read:

21 CHAPTER 28

22 TRAVEL INSURANCE

23 ARTICLE 1. GENERAL PROVISIONS

24 20-3501. Definitions

25 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

26 1. "AGGREGATOR SITE" MEANS A WEBSITE THAT PROVIDES ACCESS TO
27 INFORMATION REGARDING INSURANCE PRODUCTS FROM MORE THAN ONE INSURER,
28 INCLUDING PRODUCT AND INSURER INFORMATION, FOR USE IN COMPARISON SHOPPING.

29 2. "BLANKET TRAVEL INSURANCE" MEANS A POLICY OF TRAVEL INSURANCE
30 THAT IS ISSUED TO ANY ELIGIBLE GROUP AND THAT PROVIDES COVERAGE FOR
31 SPECIFIC CLASSES OF PERSONS DEFINED IN THE POLICY WITH COVERAGE PROVIDED
32 TO ALL MEMBERS OF THE ELIGIBLE GROUP WITHOUT A SEPARATE CHARGE TO
33 INDIVIDUAL MEMBERS OF THE ELIGIBLE GROUP.

34 3. "CANCELLATION FEE WAIVER":

35 (a) MEANS A CONTRACTUAL AGREEMENT BETWEEN A SUPPLIER OF TRAVEL
36 SERVICES AND ITS CUSTOMER TO WAIVE SOME OR ALL OF THE NONREFUNDABLE
37 CANCELLATION FEE PROVISIONS OF THE SUPPLIER'S UNDERLYING TRAVEL CONTRACT
38 WITH OR WITHOUT REGARD TO THE REASON FOR THE CANCELLATION OR FORM OF
39 REIMBURSEMENT.

40 (b) DOES NOT MEAN INSURANCE.

41 4. "ELIGIBLE GROUP", SOLELY FOR THE PURPOSES OF TRAVEL INSURANCE:

42 (a) MEANS TWO OR MORE PERSONS WHO ARE ENGAGED IN A COMMON
43 ENTERPRISE OR WHO HAVE AN ECONOMIC, EDUCATIONAL OR SOCIAL AFFINITY OR
44 RELATIONSHIP.

- 1 (b) INCLUDES ANY OF THE FOLLOWING:
- 2 (i) AN ENTITY THAT IS ENGAGED IN THE BUSINESS OF PROVIDING TRAVEL
- 3 OR TRAVEL SERVICES, INCLUDING TOUR OPERATORS, LODGING PROVIDERS, VACATION
- 4 PROPERTY OWNERS, HOTELS AND RESORTS, TRAVEL CLUBS, TRAVEL AGENCIES,
- 5 PROPERTY MANAGERS, CULTURAL EXCHANGE PROGRAMS AND COMMON CARRIERS, OR THE
- 6 OPERATOR, OWNER OR LESSOR OF A MEANS OF TRANSPORTATION OF PASSENGERS,
- 7 INCLUDING AIRLINES, CRUISE LINES, RAILROADS, STEAMSHIP COMPANIES AND
- 8 PUBLIC BUS CARRIERS, WHEREIN WITH REGARD TO ANY PARTICULAR TRAVEL OR TYPE
- 9 OF TRAVEL OR TRAVELERS, ALL MEMBERS OR CUSTOMERS OF THE GROUP HAVE A
- 10 COMMON EXPOSURE TO RISK ATTENDANT TO THAT TRAVEL.
- 11 (ii) ANY COLLEGE, SCHOOL OR OTHER INSTITUTION OF LEARNING COVERING
- 12 STUDENTS, TEACHERS, EMPLOYEES OR VOLUNTEERS.
- 13 (iii) ANY EMPLOYER COVERING ANY GROUP OF EMPLOYEES, VOLUNTEERS,
- 14 CONTRACTORS, BOARD OF DIRECTORS, DEPENDENTS OR GUESTS.
- 15 (iv) ANY SPORTS TEAM OR CAMP OR ANY SPONSOR OF A SPORTS TEAM OR
- 16 CAMP COVERING PARTICIPANTS, MEMBERS, CAMPERS, EMPLOYEES, OFFICIALS,
- 17 SUPERVISORS OR VOLUNTEERS.
- 18 (v) ANY RELIGIOUS, CHARITABLE, RECREATIONAL, EDUCATIONAL OR CIVIC
- 19 ORGANIZATION OR ANY BRANCH OF THAT ORGANIZATION COVERING ANY GROUP OF
- 20 MEMBERS, PARTICIPANTS OR VOLUNTEERS.
- 21 (vi) ANY FINANCIAL INSTITUTION, FINANCIAL INSTITUTION VENDOR OR
- 22 PARENT HOLDING COMPANY, TRUSTEE OR AGENT OF OR DESIGNATED BY ONE OR MORE
- 23 FINANCIAL INSTITUTIONS OR FINANCIAL INSTITUTION VENDORS, INCLUDING ACCOUNT
- 24 HOLDERS, CREDIT CARD HOLDERS, DEBTORS, GUARANTORS OR PURCHASERS.
- 25 (vii) ANY INCORPORATED OR UNINCORPORATED ASSOCIATION, INCLUDING A
- 26 LABOR UNION, THAT HAS A COMMON INTEREST, CONSTITUTION AND BYLAWS AND THAT
- 27 IS ORGANIZED AND MAINTAINED IN GOOD FAITH FOR PURPOSES OTHER THAN
- 28 OBTAINING INSURANCE FOR MEMBERS OR PARTICIPANTS OF THAT ASSOCIATION
- 29 COVERING ITS MEMBERS.
- 30 (viii) ANY TRUST OR THE TRUSTEES OF A FUND ESTABLISHED, CREATED OR
- 31 MAINTAINED FOR THE BENEFIT OF AND COVERING MEMBERS, EMPLOYEES OR
- 32 CUSTOMERS, SUBJECT TO THE DIRECTOR ALLOWING THE USE OF A TRUST AND THE
- 33 STATE'S PREMIUM TAX PROVISIONS IN SECTION 20-3504 OF ONE OR MORE
- 34 ASSOCIATIONS DESCRIBED IN ITEM (vii) OF THIS SUBDIVISION.
- 35 (ix) ANY ENTERTAINMENT PRODUCTION COMPANY COVERING ANY GROUP OF
- 36 PARTICIPANTS, VOLUNTEERS, AUDIENCE MEMBERS, CONTESTANTS OR WORKERS.
- 37 (x) ANY VOLUNTEER FIRE DEPARTMENT, AMBULANCE, RESCUE, POLICE,
- 38 COURT, FIRST AID OR CIVIL DEFENSE GROUP OR ANOTHER SIMILAR VOLUNTEER
- 39 GROUP.
- 40 (xi) ANY PRESCHOOL, DAYCARE INSTITUTION FOR CHILDREN OR ADULTS AND
- 41 SENIOR CITIZEN CLUB.
- 42 (xii) ANY AUTOMOBILE OR TRUCK RENTAL OR LEASING COMPANY COVERING A
- 43 GROUP OF INDIVIDUALS WHO MAY BECOME RENTERS, LESSEES OR PASSENGERS DEFINED
- 44 BY THEIR TRAVEL STATUS ON THE RENTED OR LEASED VEHICLES AND IN WHICH THE

1 COMMON CARRIER, THE OPERATOR, OWNER OR LESSOR OF A MEANS OF TRANSPORTATION
2 OR THE AUTOMOBILE OR TRUCK RENTAL OR LEASING COMPANY IS THE POLICYHOLDER
3 UNDER A POLICY TO WHICH THIS CHAPTER APPLIES.

4 (xiii) ANY OTHER GROUP FOR WHICH THE DIRECTOR DETERMINES THAT THE
5 MEMBERS ARE ENGAGED IN A COMMON ENTERPRISE, OR HAVE AN ECONOMIC,
6 EDUCATIONAL OR SOCIAL AFFINITY OR RELATIONSHIP, AND THAT ISSUANCE OF THE
7 POLICY WOULD NOT BE CONTRARY TO THE PUBLIC INTEREST.

8 5. "FULFILLMENT MATERIALS" MEANS DOCUMENTATION THAT IS SENT TO THE
9 PURCHASER OF A TRAVEL PROTECTION PLAN AND THAT CONFIRMS THE PURCHASE AND
10 PROVIDES THE TRAVEL PROTECTION PLAN'S COVERAGE AND ASSISTANCE DETAILS.

11 6. "GROUP TRAVEL INSURANCE" MEANS TRAVEL INSURANCE THAT IS ISSUED
12 TO ANY ELIGIBLE GROUP.

13 7. "LIMITED LINES TRAVEL INSURANCE PRODUCER" MEANS ANY OF THE
14 FOLLOWING:

15 (a) A LICENSED MANAGING GENERAL AGENT OR THIRD-PARTY ADMINISTRATOR.

16 (b) A LICENSED INSURANCE PRODUCER, INCLUDING A LIMITED LINES
17 PRODUCER.

18 (c) A TRAVEL ADMINISTRATOR.

19 8. "OFFER AND DISSEMINATE" MEANS PROVIDING GENERAL INFORMATION,
20 INCLUDING A DESCRIPTION OF THE COVERAGE AND PRICE, PROCESSING AN
21 APPLICATION AND COLLECTING PREMIUMS.

22 9. "TRAVEL ADMINISTRATOR":

23 (a) MEANS A PERSON WHO DIRECTLY OR INDIRECTLY UNDERWRITES, COLLECTS
24 CHARGES, COLLATERAL OR PREMIUMS FROM, OR ADJUSTS OR SETTLES CLAIMS ON
25 RESIDENTS OF THIS STATE IN CONNECTION WITH TRAVEL INSURANCE.

26 (b) DOES NOT INCLUDE A PERSON WHOSE ONLY ACTIONS THAT WOULD
27 OTHERWISE CAUSE THE PERSON TO BE CONSIDERED A TRAVEL ADMINISTRATOR INCLUDE
28 THE FOLLOWING:

29 (i) WORKING FOR A TRAVEL ADMINISTRATOR TO THE EXTENT THAT THE
30 PERSON'S ACTIVITIES ARE SUBJECT TO THE SUPERVISION AND CONTROL OF THE
31 TRAVEL ADMINISTRATOR.

32 (ii) SELLING INSURANCE OR ENGAGING IN ADMINISTRATIVE AND
33 CLAIMS-RELATED ACTIVITIES AS AN INSURANCE PRODUCER WITHIN THE SCOPE OF THE
34 PRODUCER'S LICENSE.

35 (iii) OFFERING AND DISSEMINATING TRAVEL INSURANCE AS A TRAVEL
36 RETAILER WHILE REGISTERED UNDER THE LICENSE OF A LIMITED LINES TRAVEL
37 INSURANCE PRODUCER IN ACCORDANCE WITH THIS CHAPTER.

38 (iv) ADJUSTING OR SETTLING CLAIMS IN THE NORMAL COURSE OF PRACTICE
39 OR EMPLOYMENT AS AN ATTORNEY-AT-LAW WITHOUT COLLECTING CHARGES OR PREMIUMS
40 IN CONNECTION WITH INSURANCE COVERAGE.

41 (v) BEING A BUSINESS ENTITY THAT IS AFFILIATED WITH A LICENSED
42 INSURER WHILE ACTING AS A TRAVEL ADMINISTRATOR FOR THE DIRECT AND ASSUMED
43 INSURANCE BUSINESS OF THE AFFILIATED INSURER.

44 10. "TRAVEL ASSISTANCE SERVICES":

1 (a) MEANS NONINSURANCE SERVICES FOR WHICH THE CONSUMER IS NOT
2 INDEMNIFIED BASED ON A FORTUITOUS EVENT AND WHERE PROVIDING THE SERVICE
3 DOES NOT RESULT IN A TRANSFER OR SHIFTING OF RISK THAT WOULD CONSTITUTE
4 THE BUSINESS OF INSURANCE.

5 (b) INCLUDES:

6 (i) SECURITY ADVISORIES.

7 (ii) DESTINATION INFORMATION.

8 (iii) VACCINATION AND IMMUNIZATION INFORMATION SERVICES.

9 (iv) TRAVEL RESERVATION SERVICES.

10 (v) ENTERTAINMENT.

11 (vi) ACTIVITY AND EVENT PLANNING.

12 (vii) TRANSLATION ASSISTANCE.

13 (viii) EMERGENCY MESSAGING.

14 (ix) INTERNATIONAL LEGAL AND MEDICAL REFERRALS.

15 (x) MEDICAL CASE MONITORING.

16 (xi) COORDINATING TRANSPORTATION ARRANGEMENTS.

17 (xii) EMERGENCY CASH TRANSFER ASSISTANCE.

18 (xiii) MEDICAL PRESCRIPTION REPLACEMENT ASSISTANCE.

19 (xiv) PASSPORT AND TRAVEL DOCUMENT REPLACEMENT ASSISTANCE.

20 (xv) LOST LUGGAGE ASSISTANCE.

21 (xvi) CONCIERGE SERVICES.

22 (xvii) ANY OTHER SERVICE THAT IS PROVIDED IN CONNECTION WITH
23 PLANNED TRAVEL.

24 (c) DOES NOT MEAN INSURANCE AND IS NOT RELATED TO INSURANCE.

25 11. "TRAVEL INSURANCE":

26 (a) MEANS INSURANCE COVERAGE FOR PERSONAL RISKS INCIDENT TO PLANNED
27 TRAVEL, INCLUDING:

28 (i) INTERRUPTION OR CANCELLATION OF A TRIP OR EVENT.

29 (ii) LOSS OF BAGGAGE OR PERSONAL EFFECTS.

30 (iii) DAMAGES TO ACCOMMODATIONS OR RENTAL VEHICLES.

31 (iv) SICKNESS, ACCIDENT, DISABILITY OR DEATH OCCURRING DURING
32 TRAVEL.

33 (v) EMERGENCY EVACUATION.

34 (vi) REPATRIATION OF REMAINS.

35 (vii) ANY OTHER CONTRACTUAL OBLIGATIONS TO INDEMNIFY OR PAY A
36 SPECIFIED AMOUNT TO A TRAVELER ON DETERMINABLE CONTINGENCIES RELATED TO
37 TRAVEL AS APPROVED BY THE DIRECTOR.

38 (b) DOES NOT INCLUDE MAJOR MEDICAL PLANS THAT PROVIDE COMPREHENSIVE
39 MEDICAL PROTECTION FOR TRAVELERS WITH TRIPS LASTING LONGER THAN SIX
40 MONTHS, SUCH AS THOSE WORKING OR RESIDING OVERSEAS AS AN EXPATRIATE, OR
41 ANY OTHER PRODUCT THAT REQUIRES A SPECIFIC INSURANCE PRODUCER LICENSE.

42 (c) DOES NOT INCLUDE A PREARRANGED FUNERAL AGREEMENT BY A FUNERAL
43 SERVICE PROVIDER.

1 12. "TRAVEL PROTECTION PLANS" MEANS PLANS THAT PROVIDE ONE OR MORE
2 OF THE FOLLOWING:

- 3 (a) TRAVEL INSURANCE.
- 4 (b) TRAVEL ASSISTANCE SERVICES.
- 5 (c) CANCELLATION FEE WAIVERS.

6 13. "TRAVEL RETAILER" MEANS A BUSINESS ENTITY THAT MAKES, ARRANGES
7 OR OFFERS PLANNED TRAVEL AND MAY OFFER AND DISSEMINATE TRAVEL INSURANCE AS
8 A SERVICE TO ITS CUSTOMERS ON BEHALF OF AND UNDER THE DIRECTION OF A
9 LIMITED LINES TRAVEL INSURANCE PRODUCER.

10 20-3502. Purpose; applicability

11 A. THE PURPOSE OF THIS CHAPTER IS TO PROMOTE THE PUBLIC WELFARE BY
12 CREATING A COMPREHENSIVE LEGAL FRAMEWORK WITHIN WHICH TRAVEL INSURANCE MAY
13 BE SOLD IN THIS STATE.

14 B. THE REQUIREMENTS OF THIS CHAPTER APPLY TO TRAVEL INSURANCE THAT
15 COVERS ANY RESIDENT OF THIS STATE AND THAT IS SOLD, SOLICITED, NEGOTIATED
16 OR OFFERED IN THIS STATE AND TO POLICIES AND CERTIFICATES THAT ARE
17 DELIVERED OR ISSUED FOR DELIVERY IN THIS STATE. THIS CHAPTER DOES NOT
18 APPLY TO CANCELLATION FEE WAIVERS OR TRAVEL ASSISTANCE SERVICES EXCEPT AS
19 EXPRESSLY PROVIDED IN THIS CHAPTER.

20 C. ALL OTHER APPLICABLE PROVISIONS OF THIS STATE'S INSURANCE LAWS
21 CONTINUE TO APPLY TO TRAVEL INSURANCE EXCEPT THAT THE SPECIFIC PROVISIONS
22 OF THIS CHAPTER SUPERSEDE ANY GENERAL PROVISIONS OF LAW THAT WOULD
23 OTHERWISE BE APPLICABLE TO TRAVEL INSURANCE.

24 Sec. 3. Section 20-333, Arizona Revised Statutes, is transferred
25 and renumbered for placement in title 20, chapter 28, article 1, Arizona
26 Revised Statutes, as added by this act, as section 20-3503 and, as so
27 renumbered, is amended to read:

28 20-3503. Travel insurance producer licensing

29 A. Notwithstanding any other provision of this title, a travel
30 retailer may offer and issue travel insurance under a limited lines travel
31 insurance producer business entity license under the following conditions:

32 1. The limited lines travel insurance producer or travel retailer
33 provides to purchasers of travel insurance all of the following:

- 34 (a) A description of the material terms or the actual material
35 terms of the insurance coverage.
- 36 (b) A description of the process for filing a claim.
- 37 (c) A description of the review or cancellation process for the
38 travel insurance policy.
- 39 (d) The identity and contact information of the insurer and limited
40 lines travel insurance producer.

41 2. At the time of licensure, the limited lines travel insurance
42 producer establishes and maintains a register, on a form prescribed by the
43 director, of each travel retailer that offers travel insurance on the
44 limited lines travel insurance producer's behalf. The limited lines

1 travel insurance producer shall maintain and annually update the register,
2 which shall include the name, address and contact information of the
3 travel retailer and an officer or person who directs or controls the
4 travel retailer's operations, and the travel retailer's federal tax
5 identification number. The limited lines travel insurance producer shall
6 submit the register to the department within thirty days after a request.
7 The limited lines travel insurance producer shall also certify to the
8 department that the registered travel retailer is not in violation of 18
9 United States Code section 1033.

10 3. The limited lines travel insurance producer designates one of
11 the producer's employees who is a licensed individual producer as the
12 person responsible for the limited lines travel insurance producer's
13 compliance with the travel insurance laws and rules of this state.

14 4. The licensed individual producer designated under paragraph 3 of
15 this subsection complies with the fingerprinting requirements applicable
16 to insurance producers in the resident state of the limited lines travel
17 insurance producer.

18 5. The limited lines travel insurance producer pays all applicable
19 insurance producer licensing fees required under this title.

20 6. The limited lines travel insurance producer requires each
21 employee or authorized representative of the travel retailer whose duties
22 include offering and disseminating travel insurance to receive a training
23 or an instruction program, which may be subject to review by the
24 director. The training material, at a minimum, shall contain instructions
25 on the types of insurance offered, ethical sales practices and required
26 disclosures to prospective customers.

27 B. Limited lines travel insurance producers and those registered
28 under the producer's license are exempt from the examination requirements
29 under ~~this~~ chapter 2 OF THIS TITLE and the continuing education
30 requirements under chapter 18 of this title.

31 C. Any travel retailer offering or disseminating travel insurance
32 shall make available to prospective purchasers brochures or other written
33 materials that:

34 1. Provide the identity and contact information of the insurer and
35 the limited lines travel insurance producer.

36 2. Explain that the purchase of travel insurance is not required in
37 order to purchase any other product or service from the travel retailer.

38 3. Explain that an unlicensed travel retailer is ~~permitted~~ ALLOWED
39 to provide general information about the insurance offered by the travel
40 retailer, including a description of the coverage and price, but is not
41 qualified or authorized to answer technical questions about the terms and
42 conditions of the insurance offered by the travel retailer or to evaluate
43 the adequacy of the customer's existing insurance coverage.

1 D. A travel retailer's employee or authorized representative who is
2 not licensed as an insurance producer may not do any of the following:

3 1. Evaluate or interpret the technical terms, benefits and
4 conditions of the offered travel insurance coverage.

5 2. Evaluate or provide advice concerning a prospective purchaser's
6 existing insurance coverage.

7 3. Hold himself out as a licensed insurer, licensed producer or
8 insurance expert.

9 E. A travel retailer whose insurance-related activities, and those
10 of the retailer's employees and authorized representatives, are limited to
11 offering and disseminating travel insurance under the limitations of this
12 section may receive related compensation on registration by the limited
13 lines travel insurance producer pursuant to subsection A, paragraph 2 of
14 this section.

15 F. Travel insurance may be provided under an individual policy or
16 under a group or master policy.

17 G. As the insurer designee, the limited lines travel insurance
18 producer is responsible for the acts of the travel retailer and shall use
19 reasonable means to ensure compliance by the travel retailer with the
20 requirements of this section.

21 H. To the extent not inconsistent with this ~~article~~ CHAPTER,
22 section 20-281, section 20-286, subsections B, C and D, sections 20-289
23 and 20-289.01, section 20-290, subsection A and sections 20-291, 20-292,
24 20-295, 20-296, 20-297, 20-298, 20-299, 20-301 and 20-302 apply to a
25 limited lines travel insurance producer and any travel retailer offering
26 and disseminating travel insurance under the limited lines travel
27 insurance producer business entity license.

28 ~~1. For the purposes of this section:~~

29 ~~1. "Limited lines travel insurance producer" means a business
30 entity that is either:~~

31 ~~(a) A managing general agent.~~

32 ~~(b) A licensed insurance producer, including a limited lines
33 producer, designated by an insurer as the travel insurance supervising
34 entity.~~

35 ~~2. "Offer and disseminate" means providing general information,
36 including a description of the coverage and price, as well as processing
37 the application, collecting premiums and performing other nonlicensable
38 activities permitted by the department.~~

39 ~~3. "Travel insurance":~~

40 ~~(a) Means insurance coverage for personal risks incident to planned
41 travel, including:~~

42 ~~(i) Interruption or cancellation of a trip or event.~~

43 ~~(ii) Loss of baggage or personal effects.~~

44 ~~(iii) Damages to accommodations or rental vehicles.~~

1 ~~(iv) Sickness, accident, disability or death occurring during~~
2 ~~travel.~~

3 ~~(b) Does not include major medical plans, which provide~~
4 ~~comprehensive medical protection for travelers with trips lasting six~~
5 ~~months or longer, including those working overseas as expatriates or~~
6 ~~military personnel being deployed.~~

7 ~~4. "Travel retailer" means a business entity that makes, arranges~~
8 ~~or offers travel services and that may offer and disseminate travel~~
9 ~~insurance as a service to its customers on behalf of and under the~~
10 ~~direction of a limited lines travel insurance producer.~~

11 Sec. 4. Title 20, chapter 28, article 1, Arizona Revised Statutes,
12 is amended by adding sections 20-3504, 20-3505, 20-3506, 20-3507 and
13 20-3508, to read:

14 20-3504. Premium tax; definitions

15 A. A TRAVEL INSURER SHALL PAY PREMIUM TAX AS PROVIDED IN SECTION
16 20-224 ON TRAVEL INSURANCE PREMIUMS PAID BY ANY OF THE FOLLOWING:

17 1. AN INDIVIDUAL PRIMARY POLICYHOLDER WHO IS A RESIDENT OF THIS
18 STATE.

19 2. A PRIMARY CERTIFICATE HOLDER WHO IS A RESIDENT OF THIS STATE AND
20 WHO ELECTS COVERAGE UNDER A GROUP TRAVEL INSURANCE POLICY.

21 3. A BLANKET TRAVEL INSURANCE POLICYHOLDER THAT IS A RESIDENT IN
22 THIS STATE, OR HAS ITS PRINCIPAL PLACE OF BUSINESS OR THE PRINCIPAL PLACE
23 OF BUSINESS OF AN AFFILIATE OR SUBSIDIARY THAT HAS PURCHASED BLANKET
24 TRAVEL INSURANCE IN THIS STATE FOR ELIGIBLE BLANKET GROUP MEMBERS, SUBJECT
25 TO ANY APPORTIONMENT RULES THAT APPLY TO THE INSURER ACROSS MULTIPLE
26 TAXING JURISDICTIONS OR THAT ALLOW THE INSURER TO ALLOCATE PREMIUM ON AN
27 APPORTIONED BASIS IN A REASONABLE AND EQUITABLE MANNER IN THOSE
28 JURISDICTIONS.

29 B. A TRAVEL INSURER SHALL:

30 1. DOCUMENT THE STATE OF RESIDENCE OR PRINCIPAL PLACE OF BUSINESS
31 OF THE POLICYHOLDER OR CERTIFICATE HOLDER AS REQUIRED IN SUBSECTION A OF
32 THIS SECTION.

33 2. REPORT AS PREMIUM ONLY THE AMOUNT ALLOCABLE TO TRAVEL INSURANCE
34 AND NOT ANY AMOUNTS RECEIVED FOR TRAVEL ASSISTANCE SERVICES OR
35 CANCELLATION FEE WAIVERS.

36 C. FOR THE PURPOSES OF THIS SECTION:

37 1. "PRIMARY CERTIFICATE HOLDER" MEANS AN INDIVIDUAL WHO ELECTS AND
38 WHO PURCHASES TRAVEL INSURANCE UNDER A GROUP POLICY.

39 2. "PRIMARY POLICYHOLDER" MEANS AN INDIVIDUAL WHO ELECTS AND WHO
40 PURCHASES INDIVIDUAL TRAVEL INSURANCE.

41 20-3505. Travel protection plans

42 TRAVEL PROTECTION PLANS MAY BE OFFERED FOR ONE PRICE FOR THE
43 COMBINED FEATURES THAT THE TRAVEL PROTECTION PLAN OFFERS IN THIS STATE IF
44 BOTH:

1 1. THE TRAVEL PROTECTION PLAN CLEARLY DISCLOSES TO THE CONSUMER, AT
2 OR BEFORE THE TIME OF PURCHASE, THAT IT INCLUDES TRAVEL INSURANCE, TRAVEL
3 ASSISTANCE SERVICES AND CANCELLATION FEE WAIVERS, AS APPLICABLE, AND
4 PROVIDES INFORMATION AND AN OPPORTUNITY, AT OR BEFORE THE TIME OF
5 PURCHASE, FOR THE CONSUMER TO OBTAIN ADDITIONAL INFORMATION REGARDING THE
6 FEATURES AND PRICING OF EACH.

7 2. THE FULFILLMENT MATERIALS BOTH:

8 (a) DESCRIBE AND DELINEATE THE TRAVEL INSURANCE, TRAVEL ASSISTANCE
9 SERVICES AND CANCELLATION FEE WAIVERS IN THE TRAVEL PROTECTION PLAN.

10 (b) INCLUDE THE TRAVEL INSURANCE DISCLOSURES AND THE CONTACT
11 INFORMATION FOR PERSONS PROVIDING TRAVEL ASSISTANCE SERVICES AND
12 CANCELLATION FEE WAIVERS, AS APPLICABLE.

13 20-3506. Sales practices; definition

14 A. ALL PERSONS OFFERING TRAVEL INSURANCE TO RESIDENTS OF THIS STATE
15 ARE SUBJECT TO CHAPTER 2, ARTICLE 6 OF THIS TITLE RELATING TO UNFAIR TRADE
16 PRACTICES AND FRAUDS, EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION. IF A
17 CONFLICT EXISTS BETWEEN THIS CHAPTER AND ANOTHER PROVISION OF THIS TITLE
18 REGARDING THE SALE AND MARKETING OF TRAVEL INSURANCE AND TRAVEL PROTECTION
19 PLANS, THIS CHAPTER CONTROLS.

20 B. OFFERING OR SELLING A TRAVEL INSURANCE POLICY THAT COULD NEVER
21 RESULT IN PAYMENT OF ANY CLAIMS FOR ANY INSURED UNDER THE POLICY IS AN
22 UNFAIR TRADE PRACTICE UNDER CHAPTER 2, ARTICLE 6 OF THIS TITLE.

23 C. ALL DOCUMENTS PROVIDED TO CONSUMERS BEFORE THE PURCHASE OF
24 TRAVEL INSURANCE, INCLUDING SALES MATERIALS, ADVERTISING MATERIALS AND
25 MARKETING MATERIALS, SHALL BE CONSISTENT WITH THE TRAVEL INSURANCE POLICY
26 ITSELF, INCLUDING FORMS, ENDORSEMENTS, POLICIES, RATE FILINGS AND
27 CERTIFICATES OF INSURANCE.

28 D. FOR TRAVEL INSURANCE POLICIES OR CERTIFICATES THAT CONTAIN
29 PREEXISTING CONDITION EXCLUSIONS, INFORMATION AND AN OPPORTUNITY TO LEARN
30 MORE ABOUT THE PREEXISTING CONDITION EXCLUSIONS SHALL BE PROVIDED ANY TIME
31 BEFORE THE TIME OF PURCHASE AND IN THE COVERAGE'S FULFILLMENT MATERIALS.

32 E. THE FULFILLMENT MATERIALS AND THE INFORMATION DESCRIBED IN
33 SECTION 20-3503, SUBSECTION A, PARAGRAPH 1 SHALL BE PROVIDED TO A
34 POLICYHOLDER OR CERTIFICATE HOLDER AS SOON AS PRACTICABLE FOLLOWING THE
35 PURCHASE OF A TRAVEL PROTECTION PLAN. UNLESS THE INSURED HAS EITHER
36 STARTED A COVERED TRIP OR FILED A CLAIM UNDER THE TRAVEL INSURANCE
37 COVERAGE, A POLICYHOLDER OR CERTIFICATE HOLDER MAY CANCEL A POLICY OR
38 CERTIFICATE FOR A FULL REFUND OF THE TRAVEL PROTECTION PLAN PRICE FROM THE
39 DATE OF PURCHASE OF THE TRAVEL PROTECTION PLAN UNTIL AT LEAST EITHER:

40 1. FIFTEEN DAYS AFTER THE DATE OF DELIVERY OF THE TRAVEL PROTECTION
41 PLAN'S FULFILLMENT MATERIALS BY POSTAL MAIL.

42 2. TEN DAYS AFTER THE DATE OF DELIVERY OF THE TRAVEL PROTECTION
43 PLAN'S FULFILLMENT MATERIALS BY MEANS OTHER THAN POSTAL MAIL.

1 F. THE POLICY DOCUMENTATION AND FULFILLMENT MATERIALS SHALL
2 DISCLOSE WHETHER THE TRAVEL INSURANCE IS PRIMARY OR SECONDARY TO OTHER
3 APPLICABLE COVERAGE.

4 G. IF TRAVEL INSURANCE IS MARKETED DIRECTLY TO A CONSUMER THROUGH
5 AN INSURER'S WEBSITE OR BY OTHERS THROUGH AN AGGREGATOR SITE, IT IS NOT AN
6 UNFAIR TRADE PRACTICE OR OTHER VIOLATION OF LAW IF AN ACCURATE SUMMARY OR
7 SHORT DESCRIPTION OF THE COVERAGE IS PROVIDED ON THE WEBSITE AND THE
8 CONSUMER HAS ACCESS TO THE FULL PROVISIONS OF THE POLICY THROUGH
9 ELECTRONIC MEANS.

10 H. A PERSON MAY NOT OFFER, SOLICIT OR NEGOTIATE TRAVEL INSURANCE OR
11 TRAVEL PROTECTION PLANS ON AN INDIVIDUAL OR GROUP BASIS BY USING A
12 NEGATIVE OR OPT OUT OPTION THAT REQUIRES A CONSUMER TO TAKE AN AFFIRMATIVE
13 ACTION TO DESELECT COVERAGE, SUCH AS UNCHECKING A BOX ON AN ELECTRONIC
14 FORM, WHEN THE CONSUMER PURCHASES A TRIP.

15 I. IT IS AN UNFAIR TRADE PRACTICE TO MARKET BLANKET TRAVEL
16 INSURANCE COVERAGE AS FREE.

17 J. IF A CONSUMER'S DESTINATION JURISDICTION REQUIRES INSURANCE
18 COVERAGE, IT IS NOT AN UNFAIR TRADE PRACTICE TO REQUIRE THAT A CONSUMER
19 CHOOSE BETWEEN THE FOLLOWING OPTIONS AS A CONDITION OF PURCHASING A TRIP
20 OR TRAVEL PACKAGE:

21 1. PURCHASING THE COVERAGE REQUIRED BY THE DESTINATION JURISDICTION
22 THROUGH THE TRAVEL RETAILER OR LIMITED LINES TRAVEL INSURANCE PRODUCER
23 SUPPLYING THE TRIP OR TRAVEL PACKAGE.

24 2. AGREEING TO OBTAIN AND PROVIDE PROOF OF COVERAGE THAT MEETS THE
25 DESTINATION JURISDICTION'S REQUIREMENTS BEFORE DEPARTURE.

26 K. FOR THE PURPOSES OF THIS SECTION, "DELIVERY" MEANS HANDING
27 FULFILLMENT MATERIALS TO THE POLICYHOLDER OR CERTIFICATE HOLDER OR SENDING
28 FULFILLMENT MATERIALS BY POSTAL MAIL OR ELECTRONIC MEANS TO THE
29 POLICYHOLDER OR CERTIFICATE HOLDER.

30 20-3507. Travel administrators

31 A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, A PERSON MAY
32 NOT ACT OR REPRESENT ITSELF AS TRAVEL ADMINISTRATOR FOR TRAVEL INSURANCE
33 IN THIS STATE UNLESS THAT PERSON EITHER:

34 1. IS A LICENSED PROPERTY AND CASUALTY INSURANCE PRODUCER IN THIS
35 STATE FOR ACTIVITIES ALLOWED UNDER THAT PRODUCER LICENSE.

36 2. HOLDS A VALID MANAGING GENERAL AGENT LICENSE IN THIS STATE.

37 B. A TRAVEL ADMINISTRATOR AND ITS EMPLOYEES ARE EXEMPT FROM THE
38 LICENSING REQUIREMENTS OF CHAPTER 2, ARTICLE 3.2 OF THIS TITLE FOR TRAVEL
39 INSURANCE IT ADMINISTERS.

40 C. AN INSURER THAT UNDERWRITES TRAVEL INSURANCE IS RESPONSIBLE FOR
41 THE ACTS OF THE TRAVEL ADMINISTRATOR ADMINISTERING THAT TRAVEL INSURANCE,
42 ENSURING THAT THE TRAVEL ADMINISTRATOR MAINTAINS ALL BOOKS AND RECORDS
43 RELEVANT TO THE INSURER AND ENSURING THAT THE TRAVEL ADMINISTRATOR MAKES
44 THE BOOKS AND RECORDS AVAILABLE TO THE DIRECTOR ON REQUEST.

1 20-3508. Classification

2 A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, TRAVEL
3 INSURANCE IS CLASSIFIED AND FILED FOR PURPOSES OF RATES AND FORMS UNDER AN
4 INLAND MARINE LINE OF INSURANCE, EXCEPT THAT TRAVEL INSURANCE THAT
5 PROVIDES COVERAGE FOR SICKNESS, ACCIDENT, DISABILITY OR DEATH OCCURRING
6 DURING TRAVEL, EITHER EXCLUSIVELY OR IN CONJUNCTION WITH RELATED COVERAGES
7 OF EMERGENCY EVACUATION OR REPATRIATION OF REMAINS, MAY BE FILED UNDER
8 EITHER AN ACCIDENT AND HEALTH LINE OF INSURANCE OR AN INLAND MARINE LINE
9 OF INSURANCE.

10 B. TRAVEL INSURANCE MAY BE IN THE FORM OF AN INDIVIDUAL, GROUP OR
11 BLANKET POLICY.

12 C. ELIGIBILITY AND UNDERWRITING STANDARDS FOR TRAVEL INSURANCE MAY
13 BE DEVELOPED AND PROVIDED BASED ON TRAVEL PROTECTION PLANS THAT ARE
14 DESIGNED FOR INDIVIDUAL OR IDENTIFIED MARKETING OR DISTRIBUTION CHANNELS,
15 IF THOSE STANDARDS ALSO MEET THIS STATE'S UNDERWRITING STANDARDS FOR
16 INLAND MARINE.

17 Sec. 5. Short title

18 Title 20, chapter 28, Arizona Revised Statutes, as added by this
19 act, may be cited as the "Travel Insurance Model Act".