

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 458

Introduced by Kolterman, 24; Howard, 9.

Read first time January 20, 2015

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to insurance; to amend sections 44-3903,
- 2 44-3910, 44-4047, and 44-4052, Reissue Revised Statutes of Nebraska;
- 3 to authorize limited lines travel insurance producer licenses; to
- 4 harmonize provisions; and to repeal the original sections.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-3903, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 44-3903 Sections 44-3901 to 44-3908 shall not apply to the following
4 persons:

5 (1) Licensees for whom an examination is not required under the laws
6 of this state;

7 (2) Licensees who sell or consult only in the areas of credit life
8 insurance and credit accident and health insurance; ~~and~~

9 (3) Licensees who sell or consult only in the area of travel
10 insurance; and

11 (4) Licensees holding such limited or restricted licenses as the
12 director may exempt.

13 Sec. 2. Section 44-3910, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 44-3910 The prelicensing education requirements of section 44-3909
16 shall not apply to an individual who, at the time of application for an
17 insurance producer license:

18 (1) Is applying for qualification for the life insurance line of
19 authority and has the certified employee benefit specialist designation,
20 the chartered financial consultant designation, the certified insurance
21 counselor designation, the certified financial planner designation, the
22 chartered life underwriter designation, the fellow life management
23 institute designation, or the Life Underwriter Training Council fellow
24 designation;

25 (2) Is applying for qualification for the accident and health or
26 sickness insurance line of authority and has the registered health
27 underwriter designation, the certified employee benefit specialist
28 designation, the registered employee benefit consultant designation, or
29 the health insurance associate designation;

30 (3) Is applying for qualification for the property insurance,
31 casualty insurance, or personal lines property and casualty insurance

1 line of authority and has the accredited advisor in insurance
2 designation, the associate in risk management designation, the certified
3 insurance counselor designation, or the chartered property and casualty
4 underwriter designation;

5 (4) Is applying for a limited lines travel insurance producer
6 license pursuant to section 5 of this act;

7 (5 4) Has a college degree with a concentration in insurance from an
8 accredited educational institution;

9 (6 5) Is an individual described in section 44-4056 or 44-4058; or

10 (7 6) Is a person who the director may exempt pursuant to a rule or
11 regulation adopted and promulgated pursuant to the Administrative
12 Procedure Act.

13 Sec. 3. Section 44-4047, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 44-4047 Sections 44-4047 to 44-4067 and section 5 of this act shall
16 be known and may be cited as the Insurance Producers Licensing Act.

17 Sec. 4. Section 44-4052, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 44-4052 (1) A resident individual applying for an insurance producer
20 license shall pass a written examination unless exempt pursuant to
21 section 44-4056 or section 5 of this act. The examination shall test the
22 knowledge of the individual concerning the lines of authority for which
23 application is made, the duties and responsibilities of an insurance
24 producer, and the insurance laws, rules, and regulations of this state.
25 Examinations required by this section shall be developed and conducted
26 under rules and regulations adopted and promulgated by the director.

27 (2) The director may make arrangements, including contracting with
28 an outside testing service, for administering examinations and collecting
29 the nonrefundable fee set forth in section 44-4064.

30 (3) Each individual applying for an examination shall remit a
31 nonrefundable fee as prescribed by the director as set forth in section

1 44-4064.

2 (4) An individual who fails to appear for the examination as
3 scheduled or fails to pass the examination shall reapply for an
4 examination and remit all required fees and forms before being
5 rescheduled for another examination.

6 Sec. 5. (1) For purposes of this section:

7 (a) Limited lines travel insurance producer means a licensed
8 insurance producer, including a limited lines producer, who is designated
9 by an insurer as the travel insurance supervising entity;

10 (b) Offer and disseminate means to provide general information about
11 travel insurance, including a description of the coverage and price, as
12 well as processing the application, collecting premiums, and performing
13 other nonlicensable activities permitted by the state;

14 (c) Travel insurance means insurance coverage for personal risks
15 incident to planned travel, including interruption or cancellation of a
16 trip or event, loss of baggage or personal effects, damages to
17 accommodations or rental vehicles, and sickness, accident, disability, or
18 death occurring during travel. Travel insurance does not include major
19 medical plans that provide comprehensive medical protection for travelers
20 with trips lasting six months or longer, including those working overseas
21 as an expatriate or as deployed military personnel;

22 (d) Travel retailer means a business entity that makes, arranges, or
23 offers travel services and that offers and disseminates travel insurance
24 as a service to its customers on behalf of and under the direction of a
25 limited lines travel insurance producer.

26 (2)(a) The director may issue a limited lines travel insurance
27 producer license to an individual or business entity that authorizes the
28 limited lines travel insurance producer to sell, solicit, or negotiate
29 travel insurance through a licensed insurer in a form and manner
30 prescribed by the director.

31 (b) A travel retailer, its employees, and its authorized

1 representatives may offer and disseminate travel insurance as a service
2 to the travel retailer's customers, on behalf of and under the direction
3 of a business entity that holds a limited lines travel insurance producer
4 license. In doing so, the travel retailer must provide to prospective
5 purchasers of travel insurance:

6 (i) A description of the material terms or the actual material terms
7 of the insurance coverage;

8 (ii) A description of the process for filing a claim;

9 (iii) A description of the review or cancellation process for the
10 travel insurance policy; and

11 (iv) The identity and contact information of the insurer and limited
12 lines travel insurance producer.

13 (c) At the time of licensure, the limited lines travel insurance
14 producer shall establish and maintain a register of each travel retailer
15 that offers travel insurance on the limited lines travel insurance
16 producer's behalf on a form prescribed by the director. The limited lines
17 travel insurance producer must maintain and update the register annually
18 and include: The name, address, and contact information of each travel
19 retailer; the name, address, and contact information of an officer or
20 person who directs or controls the travel retailer's operations; and the
21 travel retailer's federal tax identification number. The limited lines
22 travel insurance producer must submit the register to the director upon
23 request. The limited lines travel insurance producer must also certify
24 that the travel retailer registered is not in violation of 18 U.S.C.
25 1033.

26 (d) The limited lines travel insurance producer must designate one
27 of its employees who is a licensed individual producer as the person
28 responsible for the limited lines travel insurance producer's compliance
29 with the travel insurance laws, rules, and regulations of the state.

30 (e) The limited lines travel insurance producer shall require each
31 employee and authorized representative of the travel retailer whose

1 duties include offering and disseminating travel insurance to receive a
2 program of instruction or training, which may be subject to review by the
3 director. The training material must include, at minimum, instructions on
4 the types of insurance offered, ethical sales practices, and required
5 disclosures to prospective customers.

6 (3) A limited lines travel insurance producer and those registered
7 under its license are exempt from the examination requirements in section
8 44-4052, the prelicensure educational requirements in sections 44-3909 to
9 44-3913, and the continuing education requirements in sections 44-3901 to
10 44-3908.

11 (4) Any travel retailer offering or disseminating travel insurance
12 shall make brochures or other written materials available to prospective
13 purchasers that:

14 (a) Provide the identity and contact information of the insurer and
15 the limited lines travel insurance producer;

16 (b) Explain that the purchase of travel insurance is not required in
17 order to purchase any other product or service from the travel retailer;
18 and

19 (c) Explain that an unlicensed travel retailer is permitted to
20 provide general information about the insurance offered by the travel
21 retailer, including a description of the coverage and price, but is not
22 qualified or authorized to answer technical questions about the terms and
23 conditions of the insurance offered by the travel retailer or to evaluate
24 the adequacy of the customer's existing insurance coverage.

25 (5) A travel retailer's employee or authorized representative who is
26 not licensed as an insurance producer may not:

27 (a) Evaluate or interpret the technical terms, benefits, or
28 conditions of the offered travel insurance coverage;

29 (b) Evaluate or provide advice concerning a prospective purchaser's
30 existing insurance coverage; or

31 (c) Hold himself or herself out as a licensed insurer, licensed

1 producer, or insurance expert.

2 (6) A travel retailer whose insurance-related activities, and those
3 of its employees and authorized representatives, are limited to offering
4 and disseminating travel insurance on behalf of and under the direction
5 of a limited lines travel insurance producer meeting the conditions
6 stated in this section is authorized to receive related compensation for
7 the services upon registration by the limited lines travel insurance
8 producer.

9 (7) Travel insurance may be provided under an individual policy or
10 under a group or master policy.

11 (8) The limited lines travel insurance producer is responsible for
12 the acts of the travel retailer and shall use reasonable means to ensure
13 that the travel retailer complies with this section.

14 (9) The director may take disciplinary action against a limited
15 lines travel insurance producer pursuant to section 44-4059.

16 Sec. 6. Original sections 44-3903, 44-3910, 44-4047, and 44-4052,
17 Reissue Revised Statutes of Nebraska, are repealed.