

As Introduced

**130th General Assembly
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H. B. No. 331

Representatives Romanchuk, Letson

Cosponsors: Representatives Hackett, Adams, J., Sears

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A B I L L

To amend sections 3905.01 and 3905.06 and to enact 1
section 3905.063 of the Revised Code to regulate 2
the licensure of limited lines travel insurance 3
agents in this state. 4

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 3905.01 and 3905.06 be amended and 5
section 3905.063 of the Revised Code be enacted to read as 6
follows: 7

Sec. 3905.01. As used in this chapter: 8

(A) "Affordable Care Act" means the "Patient Protection and 9
Affordable Care Act," 124 Stat. 119, 42 U.S.C. 18031 (2011). 10

(B) "Business entity" means a corporation, association, 11
partnership, limited liability company, limited liability 12
partnership, or other legal entity. 13

(C) "Home state" means the state or territory of the United 14
States, including the District of Columbia, in which an insurance 15
agent maintains the insurance agent's principal place of residence 16
or principal place of business and is licensed to act as an 17
insurance agent. 18

(D) "In-person assister" means any person, other than a navigator, who receives any funding from, or who is selected or designated by, an exchange, the state, or the federal government to perform any of the activities and duties identified in division (i) of section 1311 of the Affordable Care Act. "In-person assister" includes any individual that is employed by, supervised by, or affiliated with an in-person assister and performs any of the activities and duties identified in division (i) of section 1311 of the Affordable Care Act, any non-navigator assistance personnel, and any other person deemed as such by rules adopted by the superintendent under division (L) of section 3905.471 of the Revised Code.

(E) "Insurance" means any of the lines of authority set forth in Chapter 1739., 1751., or 1761. or Title XXXIX of the Revised Code, or as additionally determined by the superintendent of insurance.

(F) "Insurance agent" or "agent" means any person that, in order to sell, solicit, or negotiate insurance, is required to be licensed under the laws of this state, including limited lines insurance agents and surplus line brokers.

(G) "Insurer" has the same meaning as in section 3901.32 of the Revised Code.

(H) "License" means the authority issued by the superintendent to a person to act as an insurance agent for the lines of authority specified, but that does not create any actual, apparent, or inherent authority in the person to represent or commit an insurer.

(I) "Limited line credit insurance" means credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection insurance, or any

other form of insurance offered in connection with an extension of 50
credit that is limited to partially or wholly extinguishing that 51
credit obligation and that is designated by the superintendent as 52
limited line credit insurance. 53

(J) "Limited line credit insurance agent" means a person that 54
sells, solicits, or negotiates one or more forms of limited line 55
credit insurance to individuals through a master, corporate, 56
group, or individual policy. 57

(K) "Limited lines insurance" means those lines of authority 58
set forth in divisions (B)(7) to ~~(11)~~(12) of section 3905.06 of 59
the Revised Code or in rules adopted by the superintendent, or any 60
lines of authority the superintendent considers necessary to 61
recognize for purposes of complying with section 3905.072 of the 62
Revised Code. 63

(L) "Limited lines insurance agent" means a person authorized 64
by the superintendent to sell, solicit, or negotiate limited lines 65
insurance. 66

(M) "NAIC" means the national association of insurance 67
commissioners. 68

(N) "Insurance navigator" means a person selected to perform 69
the activities and duties identified in division (i) of section 70
1311 of the Affordable Care Act that is certified by the 71
superintendent of insurance under section 3905.471 of the Revised 72
Code. "Insurance navigator" refers to a navigator specified in 73
section 1311 of the Affordable Care Act, 42 U.S.C. 13031. 74

(O) "Negotiate" means to confer directly with, or offer 75
advice directly to, a purchaser or prospective purchaser of a 76
particular contract of insurance with respect to the substantive 77
benefits, terms, or conditions of the contract, provided the 78
person that is conferring or offering advice either sells 79
insurance or obtains insurance from insurers for purchasers. 80

(P) "Person" means an individual or a business entity.	81
(Q) "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer.	82 83
(R) "Solicit" means to attempt to sell insurance, or to ask or urge a person to apply for a particular kind of insurance from a particular insurer.	84 85 86
(S) "Superintendent" or "superintendent of insurance" means the superintendent of insurance of this state.	87 88
(T) "Terminate" means to cancel the relationship between an insurance agent and the insurer or to terminate an insurance agent's authority to transact insurance.	89 90 91
(U) "Uniform application" means the NAIC uniform application for resident and nonresident agent licensing, as amended by the NAIC from time to time.	92 93 94
(V) "Uniform business entity application" means the NAIC uniform business entity application for resident and nonresident business entities, as amended by the NAIC from time to time.	95 96 97
(W) "Exchange" means a health benefit exchange established by the state government of Ohio or an exchange established by the United States department of health and human services in accordance with the "Patient Protection and Affordable Care Act," 124 Stat. 119, 42 U.S.C. 18031 (2011).	98 99 100 101 102
Sec. 3905.06. (A)(1) The superintendent of insurance shall issue a resident insurance agent license to an individual applicant whose home state is Ohio upon submission of a completed application and payment of any applicable fee required under this chapter, if the superintendent finds all of the following:	103 104 105 106 107
(a) The applicant is at least eighteen years of age.	108
(b) The applicant has not committed any act that is a ground	109

for the denial, suspension, or revocation of a license under 110
section 3905.14 of the Revised Code. 111

(c) If required under section 3905.04 of the Revised Code, 112
the applicant has completed a program of insurance education for 113
each line of authority for which the applicant has applied. 114

(d) If required under section 3905.04 of the Revised Code, 115
the applicant has passed an examination for each line of authority 116
for which the applicant has applied. 117

(e) Any applicant applying for variable life-variable annuity 118
line of authority is registered with the financial industry 119
regulatory authority (FINRA) as a registered representative after 120
having passed at least one of the following examinations 121
administered by the FINRA: the series 6 examination, the series 7 122
examination, the series 63 examination, the series 66 examination, 123
or any other FINRA examination approved by the superintendent. 124

(f) If required under section 3905.051 of the Revised Code, 125
the applicant has consented to a criminal records check and the 126
results of the applicant's criminal records check are determined 127
to be satisfactory by the superintendent. 128

(g) The applicant is a United States citizen or has provided 129
proof of having legal authorization to work in the United States. 130

(h) The applicant is of good reputation and character, is 131
honest and trustworthy, and is otherwise suitable to be licensed. 132

(2) The superintendent shall issue a resident insurance agent 133
license to a business entity applicant upon submission of a 134
completed application and payment of any applicable fees required 135
under this chapter if the superintendent finds all of the 136
following: 137

(a) Except as provided under division (C)(2) of section 138
3905.062 of the Revised Code, the applicant either is domiciled in 139

Ohio or maintains its principal place of business in Ohio.	140
(b) The applicant has designated a licensed insurance agent who will be responsible for the applicant's compliance with the insurance laws of this state.	141 142 143
(c) The applicant has not committed any act that is a ground for the denial, suspension, or revocation of a license under section 3905.14 of the Revised Code.	144 145 146
(d) Any applicant applying for a portable electronics insurance license line of authority satisfies the requirements of division (C)(1) of section 3905.062 of the Revised Code.	147 148 149
(e) The applicant has submitted any other documents requested by the superintendent.	150 151
(B) An insurance agent license issued pursuant to division (A) of this section shall state the licensee's name, the license number, the date of issuance, the date the license expires, the line or lines of authority for which the licensee is qualified, and any other information the superintendent deems necessary.	152 153 154 155 156
A licensee may be qualified for any of the following lines of authority:	157 158
(1) Life, which is insurance coverage on human lives, including benefits of endowment and annuities, and may include benefits in the event of death or dismemberment by accident and benefits for disability income;	159 160 161 162
(2) Accident and health, which is insurance coverage for sickness, bodily injury, or accidental death, and may include benefits for disability income;	163 164 165
(3) Property, which is insurance coverage for the direct or consequential loss or damage to property of any kind;	166 167
(4) Casualty, which is insurance coverage against legal liability, including coverage for death, injury, or disability or	168 169

damage to real or personal property;	170
(5) Personal lines, which is property and casualty insurance coverage sold to individuals and families for noncommercial purposes;	171 172 173
(6) Variable life and variable annuity products, which is insurance coverage provided under variable life insurance contracts and variable annuities;	174 175 176
(7) Credit, which is limited line credit insurance;	177
(8) Title, which is insurance coverage against loss or damage suffered by reason of liens against, encumbrances upon, defects in, or the unmarketability of, real property;	178 179 180
(9) Surety bail bond, which is the authority set forth in sections 3905.83 to 3905.95 of the Revised Code;	181 182
(10) Portable electronics insurance, which is a limited line described in section 3905.062 of the Revised Code;	183 184
(11) <u>Travel insurance, which is a limited line as described in section 3905.063 of the Revised Code;</u>	185 186
<u>(12)</u> Any other line of authority designated by the superintendent.	187 188
(C)(1) An individual seeking to renew a resident insurance agent license shall apply biennially for a renewal of the license on or before the last day of the licensee's birth month. A business entity seeking to renew a resident insurance agent license shall apply biennially for a renewal of the license on or before the date determined by the superintendent. The superintendent shall send a renewal notice to all licensees at least one month prior to the renewal date.	189 190 191 192 193 194 195 196
Applications shall be submitted to the superintendent on forms prescribed by the superintendent. Each application shall be accompanied by a biennial renewal fee. The superintendent also may	197 198 199

require an applicant to submit any document reasonably necessary 200
to verify the information contained in the renewal application. 201

(2) To be eligible for renewal, an individual applicant shall 202
complete the continuing education requirements pursuant to section 203
3905.481 of the Revised Code prior to the renewal date. 204

(3) If an applicant submits a completed renewal application, 205
qualifies for renewal pursuant to divisions (C)(1) and (2) of this 206
section, and has not committed any act that is a ground for the 207
refusal to issue, suspension of, or revocation of a license under 208
section 3905.14 of the Revised Code, the superintendent shall 209
renew the applicant's resident insurance agent license. 210

(D) If an individual or business entity does not apply for 211
the renewal of the individual or business entity's license on or 212
before the license renewal date specified in division (C)(1) of 213
this section, the individual or business entity may submit a late 214
renewal application along with all applicable fees required under 215
this chapter prior to the first day of the second month following 216
the license renewal date. 217

(E) A license issued under this section that is not renewed 218
on or before its renewal date pursuant to division (C) of this 219
section or its late renewal date pursuant to division (D) of this 220
section automatically is suspended for nonrenewal on the first day 221
of the second month following the renewal date. If a license is 222
suspended for nonrenewal pursuant to this division, the individual 223
or business entity is eligible to apply for reinstatement of the 224
license within the twelve-month period following the date by which 225
the license should have been renewed by complying with the 226
reinstatement procedure established by the superintendent and 227
paying all applicable fees required under this chapter. 228

(F) A license that is suspended for nonrenewal that is not 229
reinstated pursuant to division (E) of this section automatically 230

is canceled unless the superintendent is investigating any 231
allegations of wrongdoing by the agent or has initiated 232
proceedings under Chapter 119. of the Revised Code. In that case, 233
the license automatically is canceled after the completion of the 234
investigation or proceedings unless the superintendent revokes the 235
license. 236

(G) An individual licensed as a resident insurance agent who 237
is unable to comply with the license renewal procedures 238
established under this section and who is unable to engage in the 239
business of insurance due to military service, a long-term medical 240
disability, or some other extenuating circumstance may request an 241
extension of the renewal date of the individual's license. To be 242
eligible for such an extension, the individual shall submit a 243
written request with supporting documentation to the 244
superintendent. At the superintendent's discretion, the 245
superintendent may not consider a written request made after the 246
renewal date of the license. 247

Sec. 3905.063. (A) As used in this section: 248

(1) "Limited lines travel insurance agent" means both of the 249
following: 250

(a) A managing general agent licensed under section 3905.71 251
of the Revised Code or third party administrator licensed under 252
Chapter 3959. of the Revised Code; 253

(b) A licensed insurance agent, including a limited lines 254
agent, designated by an insurer as the travel insurance designated 255
responsible agent as set forth in division (B)(2)(c) of this 256
section. 257

(2) "Offer and disseminate" means providing general 258
information, including a description of the coverage and price, as 259
well as processing the application, collecting premiums, and 260

performing other activities for which no insurance license is 261
required. 262

(3) "Travel insurance" means insurance coverage for personal 263
risks incident to planned travel, including all of the following: 264

(a) Interruption or cancellation of a trip or event; 265

(b) Loss of baggage or personal effects; 266

(c) Damages to accommodations or rental vehicles; 267

(d) Sickness, accident, disability, or death occurring during 268
travel. 269

"Travel insurance" does not include major medical plans that 270
provide comprehensive medical protection for a traveler with a 271
trip lasting six months or longer, including a person working 272
overseas as an expatriate or deployed military personnel. 273

(4) "Travel retailer" means a business entity that makes, 274
arranges, or offers travel services, and that may offer and 275
disseminates travel insurance as a service to its customers on 276
behalf of, and under the direction of, a limited lines travel 277
insurance agent. 278

(B)(1) Notwithstanding any other provision of law, the 279
superintendent of insurance may issue to an individual or business 280
entity a limited lines travel insurance agent license that 281
authorizes the agent to sell, solicit, or negotiate travel 282
insurance through a licensed insurer if the individual or business 283
entity has filed with the superintendent an application in a form 284
and manner prescribed by the superintendent. 285

(2) Notwithstanding any other provision of law, a travel 286
retailer may offer and disseminate travel insurance under a 287
limited lines travel insurance agent that is a business entity 288
only if the following conditions are met: 289

(a) The limited lines travel insurance agent or travel 290

retailer shall provide the following to purchasers of travel 291
insurance: 292

(i) A description of the material terms or the actual 293
material terms of the insurance coverage; 294

(ii) A description of the process for filing a claim; 295

(iii) A description of the review or cancellation process for 296
the travel insurance policy; 297

(iv) The identity and contact information of the insurer and 298
limited lines agent. 299

(b) At the time the superintendent of insurance issues a 300
license, the limited lines travel insurance agent shall establish 301
and maintain a register on a form prescribed by the superintendent 302
of each travel retailer that offers travel insurance on the 303
agent's behalf. The limited lines travel insurance agent shall 304
submit the register to the department of insurance upon reasonable 305
request, and shall certify that the registered travel retailer 306
complies with 18 U.S.C. 1033. 307

The register shall be maintained and updated annually by the 308
limited lines travel insurance agent, and shall include both of 309
the following: 310

(i) The names, addresses, and contact information of the 311
travel retailer and any officer or person who directs or controls 312
the travel retailer's operations; 313

(ii) The travel retailer's federal tax identification number. 314

(c) The limited lines travel insurance agent shall designate 315
one of the agent's employees, who is a licensed insurance agent, 316
as the designated responsible agent who is responsible for the 317
agent's and travel retailer's compliance with the travel insurance 318
laws, rules, and regulations of this state. The designated 319
responsible agent, or the president, secretary, treasurer, or any 320

other officer or person who directs or controls the limited lines travel insurance agent's insurance operations, shall comply with the fingerprinting requirements of section 3905.051 of the Revised Code or the applicable fingerprinting requirements of the home state of the limited lines travel insurance agent. 321 322 323 324 325

(d) The limited lines travel insurance agent shall pay any applicable fee as required under this chapter. 326 327

(e) The limited lines travel insurance agent shall require 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 that may be subject to review by the superintendent of insurance. The training material shall, at minimum, contain instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers. 328 329 330 331 332 333 334 335

(3) The limited lines travel insurance agent, and those registered under the agent's license, are exempt from any examination and education requirements as set forth in section 3905.04 of the Revised Code. 336 337 338 339

(C)(1) Any travel retailer offering or disseminating travel insurance shall make available to prospective purchasers brochures or other written materials that contain all of the following: 340 341 342

(a) The identity and contact information of the insurer and the limited lines travel insurance agent; 343 344

(b) An explanation that the purchase of travel insurance is not required in order to purchase any other product or service from the travel retailer; 345 346 347

(c) An explanation that an unlicensed travel retailer is permitted to provide 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 answer 348 349 350 351

technical questions about the terms and conditions of the 352
insurance offered by the travel retailer or to evaluate the 353
adequacy of the customer's existing insurance coverage. 354

(2) A travel retailer's employee or authorized representative 355
who is not licensed as an insurance agent shall not do any of the 356
following: 357

(a) Evaluate or interpret the technical terms, benefits, and 358
conditions of the offered travel insurance coverage; 359

(b) Evaluate or provide advice concerning a prospective 360
purchaser's existing insurance coverage; 361

(c) Hold itself out as a licensed insurer, licensed agent, or 362
insurance expert. 363

(3) Notwithstanding any other provision of law, a travel 364
retailer whose insurance related activities, and those of its 365
employees and authorized representatives, are limited to offering 366
and disseminating travel insurance on behalf of and under the 367
direction of a limited lines travel insurance agent that meets the 368
requirements of this section, is authorized to offer and 369
disseminate insurance and receive related compensation for these 370
services, if the travel retailer is registered by the limited 371
lines travel insurance agent as described in division (B)(2)(b) of 372
this section, and either of the following conditions are met: 373

(a) If the charge to the customer for coverage is not 374
included in the cost associated with the purchase of travel 375
insurance or related services, the charge for coverage is 376
separately itemized on the customer's bill; 377

(b) If the charge to the customer for coverage is included in 378
the cost associated with the purchase of travel insurance or 379
related services, the travel retailer clearly and conspicuously 380
discloses to the customer that the charge for travel insurance 381
coverage is included with the charge for travel insurance or 382

related services. 383

(4) All funds received by a travel retailer from a customer 384
for the sale of travel insurance shall be considered funds held in 385
trust by the travel retailer in a fiduciary capacity for the 386
benefit of the limited lines travel insurance agent. Travel 387
retailers that bill and collect these charges are not required to 388
maintain the funds in a segregated account if the travel retailer 389
is authorized by the agent to hold the funds in an alternate 390
manner and the travel retailer remits the amount of the charges to 391
the designated responsible agent within sixty days after receiving 392
the charges. 393

(5) The designated responsible agent shall also be 394
responsible for the acts of the travel retailer and shall use 395
reasonable means to ensure compliance with this section by the 396
travel retailer. 397

(D) Travel insurance may be provided under individual or 398
group insurance. 399

(E) Any limited lines travel insurance agent, or any travel 400
retailer offering and disseminating travel insurance under the 401
limited lines travel insurance agent license, that fails to comply 402
with the provisions of this section is deemed to have engaged in 403
an unfair and deceptive act or practice in the business of 404
insurance as defined in section 3901.21 of the Revised Code and is 405
subject to section 3905.14 of the Revised Code. 406

Section 2. That existing sections 3905.01 and 3905.06 of the 407
Revised Code are hereby repealed. 408