

§ 58-33-19. Limited lines travel insurance.

(a) As used in this section, the following definitions apply:

- (1) Limited lines travel insurance producer. – Any of the following:
 - a. A licensed managing general underwriter.
 - b. A licensed managing general agent or third-party administrator.
 - c. A licensed insurance producer as defined by G.S. 58-33-10(7), including:
 1. A limited lines producer designated by an insurer as the travel insurance supervising entity, as set forth in subsection (h) of this section.
 2. A limited lines producer appointed by an insurer, as set forth in G.S. 58-33-40, who acts as a landlord or real estate broker engaged in the rental or management of residential property for vacation rental as defined in Chapter 42A of the General Statutes.
 - d. A travel administrator, as defined in G.S. 58-44B-5.
- (2) Offer and disseminate. – Providing general information, including a description of the coverage and price, as well as processing the application, collecting premiums, and performing other activities that do not require a license and are permitted by the Department.
- (3) Travel insurance. – Insurance coverage for the personal risks incident to planned travel that may include any of the following:
 - a. Interruption or cancellation of a trip or event.
 - b. Loss of baggage or personal effects.
 - c. Damages to accommodations or rental vehicles.
 - d. Sickness, accident, disability, or death occurring during travel.
 - e. Emergency evacuation.
 - f. Repatriation of remains.
 - g. Any other contractual obligations to indemnify or pay a specified amount to the traveler upon determinable contingencies related to travel as approved by the Commissioner.

Travel insurance does not include major medical plans that provide comprehensive medical protection for travelers with trips lasting longer than six months, including, for example, those working or residing overseas as an expatriate, or any other product that requires another specific insurance producer license.

- (4) Travel retailer. – A business entity that makes, arranges, or offers planned travel and may offer and disseminate travel insurance as a service to its customers on behalf of and under the direction of a limited lines travel insurance producer.

(b) An individual or business entity may apply for a limited lines travel insurance producer license by filing with the Department an application in a form and manner prescribed by the Commissioner. If issued, the license authorizes the limited lines travel insurance producer to sell, solicit, or negotiate travel insurance through a licensed insurer.

(c) A travel retailer may offer and disseminate travel insurance under a limited lines travel insurance producer business entity license only if the following conditions are met:

- (1) The limited lines producer or travel retailer provides all of the following to purchasers of travel insurance:
 - a. A description of the material terms or the actual material terms of the insurance coverage.

- b. A description of the process for filing a claim.
 - c. A description of the review or cancellation process for the travel insurance policy.
 - d. The identity and contact information of the insurer and limited lines travel insurance producer.
- (2) At the time of licensure, the limited lines travel insurance producer shall establish and maintain a register on a form prescribed by the Commissioner of each travel retailer that offers travel insurance on the limited lines travel insurance producer's behalf. The register shall be maintained and updated annually by the limited lines travel insurance producer and shall include 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 the travel retailer's federal Tax Identification Number. The limited lines travel insurance producer shall submit the register to the Department upon request. The limited lines producer shall also certify that the travel retailer's register complies with 18 U.S.C. § 1033. The grounds for the suspension, revocation, and the penalties applicable to resident insurance producers shall be applicable to the limited lines travel insurance producers and travel retailers.
- (3) The limited lines travel insurance producer has designated one of its employees who is a licensed individual producer as the person responsible for the limited lines travel insurance producer's compliance with this Chapter and administrative rules adopted by the Commissioner.
- (4) The person designated in subdivision (3) of this subsection and the president, secretary, treasurer, and any other officer or person who directs or controls the limited lines travel insurance producer's insurance operations comply with the fingerprinting requirements applicable to insurance producers in the resident state of the limited lines travel insurance producer.
- (5) The limited lines travel insurance producer has paid all applicable insurance producer licensing fees as set forth in applicable State law.
- (6) The 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 material shall, at a minimum, contain instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers.
- (7) Limited lines travel insurance producers, and those registered under its license, are exempt from the examination and continuing education requirements under G.S. 58-33-30, 58-33-32, and 58-33-130.
- (d) Any travel retailer offering or disseminating travel insurance shall make available to prospective purchasers brochures or other written materials that have been approved by the travel insurer and include all of the following:
- (1) The identity and contact information of the insurer and the limited lines travel insurance producer.
 - (2) An explanation that the purchase of travel insurance is not required in order to purchase any other product or service from the travel retailer.
 - (3) A disclaimer 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 technical questions about the terms and conditions of the insurance

offered by the travel retailer or to evaluate the adequacy of the customer's existing insurance coverage.

(e) A travel retailer's employee or authorized representative who is not licensed as a limited lines travel insurance producer shall not do any of the following:

- (1) Evaluate or interpret the technical terms, benefits, and conditions of the offered travel insurance coverage.
- (2) Evaluate or provide advice concerning a prospective purchaser's existing insurance coverage.
- (3) Hold himself or herself out as a licensed insurer, licensed producer, or insurance expert.

(f) Notwithstanding any other provision in law, a travel retailer, whose insurance-related activities and the activities of its employees and authorized representatives are limited to offering and disseminating travel insurance on behalf of and under the direction of a limited lines travel insurance producer meeting the conditions stated in this section, is authorized to do so and receive related compensation upon compliance with subdivision (c)(2) of this section by the limited lines travel insurance producer.

(g) Travel insurance may be provided in the form of an individual, group, or blanket policy.

(h) As the travel insurance supervising entity, the limited lines travel insurance producer is responsible for the acts of the travel retailer and shall use reasonable means to ensure compliance by the travel retailer with this section.

(i) The limited lines travel insurance producer and any travel retailer offering or disseminating travel insurance under the limited lines travel insurance producer license shall be subject to the provisions of Article 63 of this Chapter and to the full enforcement powers of the Commissioner granted by Article 2 of this Chapter.

(j) Any 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 become appointed by an insurer in order to sell, solicit, or negotiate travel insurance. (2013-285, s. 1; 2019-128, s. 1.)