

# HOUSE BILL NO. 4508

April 25, 2019, Introduced by Rep. Webber and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 1202 (MCL 500.1202), as amended by 2016 PA 114,  
and by adding chapter 12b.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1202. (1) This chapter does not require an insurer to  
2 obtain an insurance producer license. As used in this section, the  
3 term "insurer" does not include an insurer's officers, directors,  
4 employees, subsidiaries, or affiliates.

5       (2) A license as an insurance producer is not required of any



1 of the following:

2 (a) An officer, director, or employee of an insurer or of an  
3 insurance producer, if the officer, director, or employee does not  
4 receive any commission on policies written or sold to insure risks  
5 residing, located, or to be performed in this state and meets 1 or  
6 more of the following:

7 (i) The officer's, director's, or employee's activities are  
8 executive, administrative, managerial, clerical, or a combination  
9 of these, and are only indirectly related to the sale,  
10 solicitation, or negotiation of insurance.

11 (ii) The officer's, director's, or employee's function relates  
12 to underwriting, loss control, inspection, or the processing,  
13 adjusting, investigating, or settling of a claim on a contract of  
14 insurance.

15 (iii) The officer, director, or employee is acting in the  
16 capacity of a special agent or agency supervisor assisting  
17 insurance producers if the person's activities are limited to  
18 providing technical advice and assistance to licensed insurance  
19 producers and do not include the sale, solicitation, or negotiation  
20 of insurance.

21 (b) A person who performs and receives no commission for any  
22 of the following services:

23 (i) Securing and furnishing information for the purpose of  
24 group life insurance, group property and casualty insurance, group  
25 annuities, or group or blanket accident and health insurance.

26 (ii) Securing and furnishing information for the purpose of  
27 enrolling individuals under plans, issuing certificates under  
28 plans, or otherwise assisting in administering plans.

29 (iii) Performing administrative services related to mass



1 marketed property and casualty insurance.

2 (c) An employer or association or its officers, directors,  
3 employees, or the trustees of an employee trust plan, to the extent  
4 that the employers, officers, employees, directors, or trustees are  
5 engaged in the administration or operation of a program of employee  
6 benefits for the employer's or association's own employees or the  
7 employees of its subsidiaries or affiliates, which program involves  
8 the use of insurance issued by an insurer, if the employers,  
9 associations, officers, directors, employees, or trustees are not  
10 in any manner compensated, directly or indirectly, by the company  
11 issuing the contracts.

12 (d) Employees of insurers or organizations employed by  
13 insurers who are engaging in the inspection, rating, or  
14 classification of risks, or in the supervision of the training of  
15 insurance producers and who are not individually engaged in the  
16 sale, solicitation, or negotiation of insurance.

17 (e) A person whose activities in this state are limited to  
18 advertising without the intent to solicit insurance in this state  
19 through communications in printed publications or other forms of  
20 electronic mass media, the distribution of which is not limited to  
21 residents of this state, if the person does not sell, solicit, or  
22 negotiate insurance that would insure risks residing, located, or  
23 to be performed in this state.

24 (f) A person who is not a resident of this state who sells,  
25 solicits, or negotiates a contract of insurance for commercial  
26 property and casualty risks to an insured with risks located in  
27 more than 1 state insured under that contract, if the person is  
28 otherwise licensed as an insurance producer to sell, solicit, or  
29 negotiate that insurance in the state where the insured maintains



1 its principal place of business and the contract of insurance  
2 insures risks located in that state.

3 (g) A salaried full-time employee who counsels or advises his  
4 or her employer concerning the insurance interests of the employer  
5 or of the subsidiaries or business affiliates of the employer, if  
6 the employee does not sell or solicit insurance or receive a  
7 commission.

8 (h) A person whose only sale of insurance is for travel or  
9 auto-related insurance sold in connection with and incidental to  
10 the rental of a motor vehicle under a rental agreement for a period  
11 not to exceed 90 days.

12 (i) A person whose only sale of insurance is for portable  
13 electronics insurance sold in connection with and incidental to the  
14 sale of a portable electronic device if written disclosure material  
15 is provided to the customer at the time of solicitation and the  
16 written material includes all of the following:

17 (i) A disclosure that portable electronics insurance may  
18 duplicate coverage already provided by the customer's homeowners,  
19 renters, or other insurance policies.

20 (ii) A statement that the enrollment by the customer in a  
21 portable electronics insurance program is not required to purchase  
22 or lease a portable electronic device or services for the device.

23 (iii) A summary of the material terms of the portable  
24 electronics insurance coverage, including all of the following:

25 (A) The identity of the insurer.

26 (B) The amount of any applicable deductible and how it is to  
27 be paid.

28 (C) The benefits of the coverage.

29 (D) Key terms and conditions of the coverage, such as whether



1 the portable electronics may be repaired or replaced with a similar  
2 make and model or reconditioned or nonoriginal manufacturer parts  
3 or equipment.

4 (iv) A summary of the process for filing a claim, including a  
5 description of how to return a portable electronic device and the  
6 maximum fee applicable if the customer fails to comply with  
7 equipment return requirements.

8 (v) A statement that the customer may cancel enrollment for  
9 coverage under a portable electronics insurance policy at any time  
10 and that the person paying the premium will receive a refund of or  
11 credit for any unearned premium.

12 (j) A person whose only sale of insurance is for travel  
13 insurance sold in conjunction with and incidental to planned  
14 travel.

15 (k) A person whose only sale of insurance is stored property  
16 insurance sold in connection with and incidental to the rental of  
17 storage space in a self-service storage facility under a rental  
18 agreement for a period not to exceed 1 year if written disclosure  
19 material is provided to the customer at the time of solicitation  
20 and the written material includes all of the following:

21 (i) A disclosure that the stored property insurance may  
22 duplicate coverage already provided by the customer's homeowners,  
23 renters, or other insurance policies.

24 (ii) A summary of the material terms of the stored property  
25 insurance coverage, including all of the following:

26 (A) The identity of the insurer.

27 (B) The benefits of the coverage.

28 (C) The key terms and conditions of the coverage.

29 (iii) A summary of the process for filing a claim.



1 (3) As used in this section:

2 (a) "Motor vehicle" means a motorized vehicle designed for  
3 transporting passengers or goods.

4 (b) "Self-service storage facility" means that term as defined  
5 in section 2 of the self-service storage facility act, 1985 PA 148,  
6 MCL 570.522.

7 (c) "Stored property insurance" means insurance that provides  
8 coverage for the loss of, or damage to, tangible personal property  
9 with an insured value not exceeding \$10,000.00 contained in a  
10 storage space located on a self-service storage facility or in  
11 transit during the term of a self-service storage facility rental  
12 agreement and that is provided under a group or master policy  
13 issued to a self-service storage facility for the provision of  
14 insurance to its customers.

15 (d) "Travel insurance" means, **subject to subdivision (e)**, a  
16 limited lines insurance coverage under section 1201(i) for personal  
17 risk incident to planned travel, including 1 or more of the  
18 following:

19 (i) Interruption or cancellation of a trip or event.

20 (ii) Loss of baggage or personal effects.

21 (iii) Damages to accommodations or rental vehicles.

22 (iv) Sickness, accident, disability, or death occurring during  
23 travel.

24 (v) **Emergency evacuation.**

25 (vi) **Repatriation of remains.**

26 (vii) **Any other contractual obligations to indemnify or pay a**  
27 **specified amount to the traveler on determinable contingencies**  
28 **related to travel as approved by the director.**

29 (e) ~~Travel insurance~~ **"Travel insurance"** does not include ~~major~~



1 either of the following:

2 (i) Major medical plans, which provide comprehensive medical  
3 protection for travelers with trips lasting longer than 6 months,  
4 ~~or longer~~, including, for example, those working or residing  
5 overseas as an expatriate, or military personnel being deployed.

6 (ii) A product that requires a specific insurance producer's  
7 license.

8 CHAPTER 12B

9 TRAVEL INSURANCE

10 Sec. 1281. This chapter applies to travel insurance that  
11 covers a resident of this state and is sold, solicited, negotiated,  
12 or offered in this state and for which policies and certificates  
13 are delivered or issued for delivery in this state. Except as  
14 otherwise provided in this chapter, this chapter does not apply to  
15 cancellation fee waivers and travel assistance services.

16 Sec. 1283. As used in this chapter:

17 (a) "Aggregator site" means a website that provides access to  
18 information regarding insurance products from more than 1 insurer,  
19 including product and insurer information, for use in comparison  
20 shopping.

21 (b) "Blanket travel insurance" means a policy of travel  
22 insurance issued to any eligible group providing coverage for  
23 specific classes of persons defined in the policy with coverage  
24 provided to all members of the eligible group without a separate  
25 charge to individual members of the eligible group.

26 (c) "Cancellation fee waiver" means a contractual agreement  
27 between a supplier of travel services and its customer to waive  
28 some or all of the nonrefundable cancellation fee provisions of the  
29 supplier's underlying travel contract with or without regard to the



1 reason for the cancellation or form of reimbursement. A  
2 cancellation fee waiver is not insurance.

3 (d) "Eligible group" means 2 or more persons that are engaged  
4 in a common enterprise, or have an economic, educational, or social  
5 affinity or relationship, including, but not limited to, any of the  
6 following:

7 (i) Persons engaged in the business of providing travel or  
8 travel services, including, but not limited to, tour operators,  
9 lodging providers, vacation property owners, hotels and resorts,  
10 travel clubs, travel agencies, property managers, cultural exchange  
11 programs, and common carriers or the operators, owners, or lessors  
12 of a means of transportation of passengers, including, but not  
13 limited to, airlines, cruise lines, railroads, steamship companies,  
14 and public bus carriers, in which, with regard to any particular  
15 travel or type of travel or travelers, all members or customers of  
16 the group must have a common exposure to risk attendant to the  
17 travel.

18 (ii) Colleges, schools, or other institutions of learning  
19 covering students, teachers or employees, or volunteers.

20 (iii) Employers covering a group of employees, volunteers,  
21 contractors, board of directors, dependents, or guests.

22 (iv) Sports teams, camps, or sponsors of sports teams or camps  
23 covering participants, members, campers, employees, officials,  
24 supervisors, or volunteers.

25 (v) Religious, charitable, recreational, educational, or civic  
26 organizations or branches of religious, charitable, recreational,  
27 educational, or civic organizations covering any group of members,  
28 participants, or volunteers.

29 (vi) Financial institutions or financial institution vendors,





1 or parent holding company, trustee, or agent of or designated by 1  
2 or more financial institutions or financial institution vendors,  
3 including account holders, credit card holders, debtors,  
4 guarantors, or purchasers.

5 (vii) Incorporated or unincorporated associations, including  
6 labor unions, having a common interest, constitution, and bylaws,  
7 and organized and maintained in good faith for purposes other than  
8 obtaining insurance for members or participants of the association  
9 covering its members.

10 (viii) A trust or the trustees of a fund established, created,  
11 or maintained for the benefit of and covering members, employees,  
12 or customers, subject to the director's permitting the use of a  
13 trust and the premium tax under section 1285, of 1 or more  
14 associations described in subparagraph (vii).

15 (ix) Entertainment production companies covering a group of  
16 participants, volunteers, audience members, contestants, or  
17 workers.

18 (x) Volunteer fire departments, ambulance, rescue, police, or  
19 court, or any first aid, civil defense, or other volunteer groups.

20 (xi) Preschools, daycare institutions for children or adults,  
21 and senior citizen clubs.

22 (xii) Automobile or truck rental or leasing companies covering  
23 a group of individuals who may become renters, lessees, or  
24 passengers defined by their travel status on the rented or leased  
25 vehicles. The common carrier, the operator, owner, or lessor of a  
26 means of transportation, or the automobile or truck rental or  
27 leasing company is the policyholder under a policy to which this  
28 subparagraph applies.

29 (xiii) Any other group as to which the director has determined

1 that the members are engaged in a common enterprise, or have an  
2 economic, educational, or social affinity or relationship, and that  
3 issuance of the policy would not be contrary to the public  
4 interest.

5 (e) "Fulfillment materials" means documentation sent to the  
6 purchaser of a travel protection plan confirming the purchase and  
7 providing the travel protection plan's coverage and assistance  
8 details.

9 (f) "Group travel insurance" means travel insurance issued to  
10 any eligible group.

11 (g) "Limited lines travel insurance producer" means any of the  
12 following:

13 (i) A licensed managing general agent or third-party  
14 administrator.

15 (ii) A licensed insurance producer, including a limited lines  
16 producer.

17 (iii) A travel administrator.

18 (h) "Offer and disseminate" means to provide general  
19 information, including a description of the coverage and price, and  
20 process the application and collect premiums.

21 (i) "Primary certificate holder" means an individual who  
22 elects and purchases travel insurance under a group policy.

23 (j) "Primary policyholder" means an individual who elects and  
24 purchases individual travel insurance.

25 (k) "Travel administrator" means a person that directly or  
26 indirectly underwrites; collects charges, collateral, or premiums  
27 for; or adjusts or settles claims on residents of this state in  
28 connection with travel insurance. However, a person is not  
29 considered a travel administrator if the person's only actions that



1 would otherwise cause it to be considered a travel administrator  
2 are among any of the following:

3 (i) Working for a travel administrator to the extent that the  
4 person's activities are subject to the supervision and control of  
5 the travel administrator.

6 (ii) Selling insurance or engaging in administrative activities  
7 and claims-related activities within the scope of an insurance  
8 producer's license.

9 (iii) Offering and disseminating travel insurance while  
10 registered under the license of a limited lines travel insurance  
11 producer under this chapter.

12 (iv) Adjusting or settling claims in the normal course of the  
13 individual's practice or employment as an attorney-at-law, while  
14 not collecting charges or premiums in connection with insurance  
15 coverage.

16 (v) Being affiliated with a licensed insurer while acting as a  
17 travel administrator for the direct and assumed insurance business  
18 of an affiliated insurer.

19 (l) "Travel assistance services" means noninsurance services  
20 for which the consumer is not indemnified based on a fortuitous  
21 event, and as to which providing the service does not result in the  
22 transfer or shifting of risk that would constitute the business of  
23 insurance. Travel assistance services include, but are not limited  
24 to, security advisories, destination information, vaccination and  
25 immunization information services, travel reservation services,  
26 entertainment, activity and event planning, translation assistance,  
27 emergency messaging, international legal and medical referrals,  
28 medical case monitoring, coordination of transportation  
29 arrangements, emergency cash transfer assistance, medical

1 prescription replacement assistance, passport and travel document  
2 replacement assistance, lost luggage assistance, concierge  
3 services, and any other service that is furnished in connection  
4 with planned travel. Travel assistance services are not insurance  
5 and not related to insurance.

6 (m) "Travel insurance" means that term as defined in section  
7 1202.

8 (n) "Travel protection plans" means plans that provide 1 or  
9 more of the following:

10 (i) Travel insurance.

11 (ii) Travel assistance services.

12 (iii) Cancellation fee waivers.

13 (o) "Travel retailer" means a business entity that makes,  
14 arranges, or offers planned travel and may offer and disseminate  
15 travel insurance as a service to its customers on behalf of and  
16 under the direction of a limited lines travel insurance producer.

17 Sec. 1284. (1) The director may issue a limited lines travel  
18 insurance producer license to an individual or business entity that  
19 has filed with the director an application for a limited lines  
20 travel insurance producer license in a form and manner prescribed  
21 by the director. A limited lines travel insurance producer licensed  
22 under this section may sell, solicit, or negotiate travel insurance  
23 through a licensed insurer. A person shall not act as a limited  
24 lines travel insurance producer or travel insurance retailer unless  
25 the person is properly licensed or registered, respectively.

26 (2) A travel retailer may offer and disseminate travel  
27 insurance under a limited lines travel insurance producer business  
28 entity license only if all of the following conditions are met:

29 (a) The limited lines travel insurance producer or travel



1 retailer provides to purchasers of travel insurance all of the  
2 following:

3 (i) A description of the material terms or the actual material  
4 terms of the insurance coverage.

5 (ii) A description of the process for filing a claim.

6 (iii) A description of the review or cancellation process for  
7 the travel insurance policy.

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

10 (b) At the time of licensure, the limited lines travel  
11 insurance producer establishes and maintains a register on a form  
12 prescribed by the director of each travel retailer that offers  
13 travel insurance on the limited lines travel insurance producer's  
14 behalf. The register must be maintained and updated by the limited  
15 lines travel insurance producer and include the name, address, and  
16 contact information of the travel retailer and an officer or person  
17 who directs or controls the travel retailer's operations and the  
18 travel retailer's federal tax identification number. The limited  
19 lines travel insurance producer shall submit the register to the  
20 department on reasonable request. The limited lines travel  
21 insurance producer shall also certify that the travel retailer  
22 registered complies with 18 USC 1033. The grounds for the  
23 suspension or revocation of licenses issued to and the penalties  
24 that apply to resident insurance producers apply to the limited  
25 lines travel insurance producers and travel retailers.

26 (c) The limited lines travel insurance producer has designated  
27 1 of its employees who is a licensed individual producer as the  
28 designated responsible producer responsible for the compliance with  
29 the travel insurance laws and regulations applicable to the limited

1 lines travel insurance producer and its registrants.

2 (d) The designated responsible producer described in  
3 subdivision (c), the president, secretary, or treasurer of the  
4 limited lines travel insurance producer, and any other officer or  
5 person who directs or controls the limited lines travel insurance  
6 producer's insurance operations comply with the fingerprinting  
7 requirements applicable to insurance producers in the resident  
8 state of the limited lines travel insurance producer.

9 (e) The limited lines travel insurance producer has paid all  
10 applicable licensing fees as set forth in applicable state law.

11 (f) The limited lines travel insurance producer requires each  
12 employee and authorized representative of the travel retailer whose  
13 duties include offering and disseminating travel insurance to  
14 receive a program of instruction or training that is subject, at  
15 the discretion of the director, to review and approval. The  
16 training material must, at a minimum, contain adequate instructions  
17 on the types of insurance offered, ethical sales practices, and  
18 required disclosures to prospective customers.

19 (3) A travel retailer that offers or disseminates travel  
20 insurance shall make available to prospective purchasers brochures  
21 or other written materials that have been approved by the travel  
22 insurer. The materials must include information that does all of  
23 the following:

24 (a) Provides the identity and contact information of the  
25 insurer and the limited lines travel insurance producer.

26 (b) Explains that the purchase of travel insurance is not  
27 required to purchase any other product or service from the travel  
28 retailer.

29 (c) Explains that an unlicensed travel retailer is permitted



1 to provide only general information about the insurance offered by  
2 the travel retailer, including a description of the coverage and  
3 price, but is not qualified or authorized to answer technical  
4 questions about the terms and conditions of the insurance offered  
5 by the travel retailer or to evaluate the adequacy of the  
6 customer's existing insurance coverage.

7 (4) A travel retailer employee or authorized representative,  
8 who is not licensed as an insurance producer, shall not do any of  
9 the following:

10 (a) Evaluate or interpret the technical terms, benefits, and  
11 conditions of the offered travel insurance coverage.

12 (b) Evaluate or provide advice concerning a prospective  
13 purchaser's existing insurance coverage.

14 (c) Hold himself, herself, or itself out as a licensed  
15 insurer, licensed producer, or insurance expert.

16 (5) Notwithstanding any other provision in law, a travel  
17 retailer whose insurance-related activities, and those of its  
18 employees and authorized representatives, are limited to offering  
19 and disseminating travel insurance on behalf of and under the  
20 direction of a limited lines travel insurance producer meeting the  
21 conditions under this chapter may receive related compensation on  
22 registration by the limited lines travel insurance producer as  
23 described in subsection (2) (b).

24 (6) As the insurer designee, the limited lines travel  
25 insurance producer is responsible for the acts of the travel  
26 retailer and shall use reasonable means to ensure compliance by the  
27 travel retailer with this chapter.

28 (7) A person licensed in a major line of authority as an  
29 insurance producer may sell, solicit, and negotiate travel



1 insurance. A property and casualty insurance producer is not  
2 required to become appointed by an insurer to sell, solicit, or  
3 negotiate travel insurance.

4 Sec. 1285. (1) A travel insurer shall pay a premium tax, as  
5 provided in section 1905, on travel insurance premiums paid by any  
6 of the following:

7 (a) An individual primary policyholder who is a resident of  
8 this state.

9 (b) A primary certificate holder who is a resident of this  
10 state who elects coverage under a group travel insurance policy.

11 (c) A blanket travel insurance policyholder that is a resident  
12 in, or has its principal place of business or the principal place  
13 of business of an affiliate or subsidiary that has purchased  
14 blanket travel insurance in, this state for eligible blanket group  
15 members, subject to any apportionment rules that apply to the  
16 insurer across multiple taxing jurisdictions or that permits the  
17 insurer to allocate premium on an apportioned basis in a reasonable  
18 and equitable manner in those jurisdictions.

19 (2) A travel insurer shall do both of the following:

20 (a) Document the state of residence or principal place of  
21 business of the policyholder or certificate holder, as required in  
22 subsection (1).

23 (b) Report as premium only the amount allocable to travel  
24 insurance and not any amounts received for travel assistance  
25 services or cancellation fee waivers.

26 Sec. 1286. Travel protection plans may be offered for 1 price  
27 for the combined features that the travel protection plan offers in  
28 this state if both of the following conditions are met:

29 (a) The travel protection plan clearly discloses to the





1 consumer at or before the time of purchase that it includes travel  
2 insurance, travel assistance services, and cancellation fee  
3 waivers, as applicable, and provides information and an opportunity  
4 at or before the time of purchase for the consumer to obtain  
5 additional information regarding the features and pricing of each.

6 (b) The fulfillment materials do both of the following:

7 (i) Describe and delineate the travel insurance, travel  
8 assistance services, and cancellation fee waivers in the travel  
9 protection plan.

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

13 Sec. 1287. (1) Except as otherwise provided in this section, a  
14 person that offers travel insurance to residents of this state is  
15 subject to chapter 20. If there is a conflict between this chapter  
16 and other provisions of this act regarding the sale and marketing  
17 of travel insurance and travel protection plans, this chapter  
18 controls.

19 (2) Offering or selling a travel insurance policy that could  
20 never result in payment of any claims for an insured under the  
21 policy is an unfair trade practice under chapter 20.

22 (3) All documents provided to consumers before the purchase of  
23 travel insurance, including, but not limited to, sales materials,  
24 advertising materials, and marketing materials, must be consistent  
25 with the travel insurance policy, including, but not limited to,  
26 forms, endorsements, policies, rate filings, and certificates of  
27 insurance.

28 (4) For travel insurance policies or certificates that contain  
29 preexisting condition exclusions, information and an opportunity to

1 learn more about the preexisting condition exclusions must be  
2 provided any time before the time of purchase, and in the  
3 coverage's fulfillment materials.

4 (5) The fulfillment materials and the information described in  
5 section 1284(2)(a) must be provided to a policyholder or  
6 certificate holder as soon as practicable following the purchase of  
7 a travel protection plan. Unless the insured has either started a  
8 covered trip or filed a claim under the travel insurance coverage,  
9 a policyholder or certificate holder may cancel a policy or  
10 certificate for a full refund of the travel protection plan price  
11 from the date of purchase of the travel protection plan until at  
12 least either of the following:

13 (a) Fifteen days following the date of delivery of the travel  
14 protection plan's fulfillment materials by postal mail.

15 (b) Ten days following the date of delivery of the travel  
16 protection plan's fulfillment materials by means other than postal  
17 mail.

18 (6) A company shall disclose in the policy documentation and  
19 fulfillment materials whether the travel insurance is primary or  
20 secondary to other applicable coverage.

21 (7) If travel insurance is marketed directly to a consumer  
22 through an insurer's website or by others through an aggregator  
23 site, it is not an unfair trade practice or other violation of law  
24 if both of the following apply:

25 (a) An accurate summary or short description of coverage is  
26 provided on the webpage.

27 (b) If the consumer has access to the full provisions of the  
28 policy through electronic means.

29 (8) A person that offers, solicits, or negotiates travel



1 insurance or travel protection plans on an individual or group  
2 basis shall not use a negative option or opt-out, that would  
3 require a consumer to take an affirmative action to deselect  
4 coverage, such as unchecking a box on an electronic form when the  
5 consumer purchases a trip.

6 (9) It is an unfair trade practice to market blanket travel  
7 insurance coverage as free.

8 (10) If a consumer's destination jurisdiction requires  
9 insurance coverage, it is not an unfair trade practice to require  
10 that a consumer choose between any of the following options as a  
11 condition of purchasing a trip or travel package:

12 (a) Purchasing the coverage required by the destination  
13 jurisdiction through the travel retailer or limited lines travel  
14 insurance producer supplying the trip or travel package.

15 (b) Agreeing to obtain and provide proof of coverage that  
16 meets the destination jurisdiction's requirements before departure.

17 (11) As used in this section, "delivery" means handing  
18 fulfillment materials to the policyholder or certificate holder or  
19 sending fulfillment materials by postal mail or electronic means to  
20 the policyholder or certificate holder.

21 Sec. 1288. (1) Notwithstanding any other provisions of this  
22 act, a person shall not act or represent itself as a travel  
23 administrator for travel insurance in this state unless at least 1  
24 of the following applies:

25 (a) The person is a licensed property and casualty insurance  
26 producer in this state for activities permitted under that producer  
27 license.

28 (b) The person holds a valid managing general agent license in  
29 this state.



1 (c) The person holds a valid third-party administrator license  
2 in this state.

3 (2) A travel administrator and its employees are exempt from  
4 the licensing requirements of section 1222 for travel insurance it  
5 administers.

6 (3) An insurer is responsible for both of the following:

7 (a) The acts of a travel administrator administering travel  
8 insurance underwritten by the insurer.

9 (b) Ensuring that the travel administrator maintains all books  
10 and records relevant to the insurer to be made available by the  
11 travel administrator to the director on request.

12 Sec. 1289. (1) Notwithstanding any other provision of this  
13 act, travel insurance is classified and must be filed for purposes  
14 of rates and forms under an inland marine line of insurance.  
15 However, travel insurance that provides coverage for sickness,  
16 accident, disability, or death occurring during travel, either  
17 exclusively or in conjunction with related coverages of emergency  
18 evacuation or repatriation of remains, or incidental limited  
19 property and casualty benefits such as baggage or trip  
20 cancellation, may be filed by an authorized insurer under either an  
21 accident and health line of insurance or an inland marine line of  
22 insurance.

23 (2) Travel insurance may be in the form of an individual,  
24 group, or blanket policy.

25 (3) Eligibility and underwriting standards for travel  
26 insurance may be developed and provided based on travel protection  
27 plans designed for individual or identified marketing or  
28 distribution channels, if those standards also meet this state's  
29 underwriting standards for inland marine.

