

SENATE BILL NO. 373—SENATOR HARDY

MARCH 17, 2015

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Makes various changes relating to insurance.  
(BDR 57-689)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to insurance; providing for the licensure of a producer of limited lines travel insurance; authorizing such producers to offer and disseminate travel insurance through certain travel retailers; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law authorizes the Commissioner of Insurance to license producers of  
2 insurance to solicit, negotiate and sell insurance in this State. (NRS 683A.261)  
3 **Section 7** of this bill authorizes the Commissioner to issue licenses to producers  
4 of limited lines travel insurance allowing them to solicit, negotiate and sell policies  
5 of travel insurance. **Section 8** of this bill allows a person licensed as a producer of  
6 limited lines travel insurance to sell policies of travel insurance through certain  
7 travel retailers under certain conditions. **Section 9** of this bill requires a producer of  
8 limited lines travel insurance to maintain a register of the travel retailers through  
9 which policies of travel insurance are sold. **Section 10** of this bill exempts  
10 producers of limited lines travel insurance and travel retailers from the educational  
11 and written examination requirements of chapter 683A of NRS. **Section 11** of this  
12 bill requires travel retailers to make certain disclosures to purchasers of travel  
13 insurance. **Section 12** of this bill prohibits a travel retailer from evaluating,  
14 providing advice or rendering opinions regarding the technical terms and benefits  
15 of a policy of travel insurance offered by the travel retailer or a purchaser's existing  
16 insurance coverage. **Section 13** of this bill authorizes a producer of limited lines  
17 travel insurance to pay compensation to a travel retailer for services related to the  
18 sale of travel insurance. **Sections 14 and 15** of this bill make a producer of limited  
19 lines travel insurance responsible for the acts of a travel retailer who offers travel  
20 insurance and subjects both the producer and retailer to the disciplinary provisions  
21 of chapter 683A of NRS and the provisions of chapter 686A of NRS governing  
22 insurance trade practices and fraud.



\* S B 3 7 3 R 1 \*

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     **Section 1.** Chapter 683A of NRS is hereby amended by  
2 adding thereto the provisions set forth as sections 2 to 15, inclusive,  
3 of this act.

4     **Sec. 2.** *As used in NRS 683A.201 to 683A.370, inclusive, and*  
5 *sections 2 to 15, inclusive, of this act, unless the context otherwise*  
6 *requires, the words and terms defined in sections 3 to 6, inclusive,*  
7 *of this act have the meanings ascribed to them in those sections.*

8     **Sec. 3.** *“Producer of limited lines travel insurance” means a*  
9 *person licensed pursuant to section 7 of this act who is authorized*  
10 *by an insurer to solicit travel insurance either directly or through*  
11 *a travel retailer.*

12     **Sec. 4.** *“Offer and disseminate” means the provision of*  
13 *general information, including, without limitation, a description of*  
14 *the coverage and price of travel insurance, as well as the*  
15 *processing of applications, collection of premiums and*  
16 *performance of other activities that are allowed without obtaining*  
17 *a license issued pursuant to this chapter.*

18     **Sec. 5. 1.** *“Travel insurance” means insurance coverage*  
19 *for personal risks incident to planned travel, including, without*  
20 *limitation:*

21     *(a) Interruption or cancellation of a trip or event;*

22     *(b) Loss of baggage or personal effects;*

23     *(c) Damages to accommodations or rental vehicles; or*

24     *(d) Sickness, accident, disability or death occurring during*  
25 *travel.*

26     **2.** *The term does not include major medical plans which*  
27 *provide comprehensive medical protection for travelers whose*  
28 *trips are intended to last longer than 6 months, including, without*  
29 *limitation, persons working overseas as expatriates or deployed*  
30 *military personnel.*

31     **Sec. 6.** *“Travel retailer” means a person that makes,*  
32 *arranges or offers travel services and, as an ancillary service to its*  
33 *customers, may offer and disseminate travel insurance on behalf*  
34 *of, and under the general direction and supervision of, a producer*  
35 *of limited lines travel insurance.*

36     **Sec. 7.** *In accordance with the provisions of NRS 683A.201*  
37 *to 683A.370, inclusive, and sections 2 to 15, inclusive, of this act,*  
38 *the Commissioner may issue a license as a producer of limited*  
39 *lines travel insurance to a person who has filed with the*  
40 *Commissioner. A license issued pursuant to this section authorizes*  
41 *the licensee to sell, solicit or negotiate travel insurance through a*  
42 *licensed agent.*



1       **Sec. 8. 1.** *A travel retailer may offer and disseminate*  
2 *policies of travel insurance on behalf of and within the scope of a*  
3 *license issued pursuant to section 7 of this act under the following*  
4 *conditions:*

5       (a) *The producer of limited lines travel insurance or travel*  
6 *retailer provides to a purchaser or prospective purchaser of travel*  
7 *insurance:*

8           (1) *A description of the material terms, or the actual*  
9 *material terms, of the insurance coverage;*

10           (2) *A description of the process for filing a claim;*

11           (3) *A description of the review or cancellation process for*  
12 *the policy of travel insurance; and*

13           (4) *The identity and contact information of the insurer and*  
14 *the producer of limited lines travel insurance;*

15       (b) *The travel retailer is included in the register maintained by*  
16 *the producer of limited lines travel insurance pursuant to section 9*  
17 *of this act;*

18       (c) *The producer of limited lines travel insurance has*  
19 *designated one of its employees who is licensed as a producer of*  
20 *insurance pursuant to this chapter to be responsible for*  
21 *compliance with the provisions of this title and any rules or*  
22 *regulations adopted pursuant thereto;*

23       (d) *The person designated pursuant to paragraph (c) and the*  
24 *officers of the producer of limited lines travel insurance, or any*  
25 *person who directs or controls the insurance operations of the*  
26 *producer of limited lines travel insurance, are in compliance with*  
27 *the provisions of this title and the laws, rules and regulations*  
28 *governing the provision and sale of insurance in any other state in*  
29 *which the producer of limited lines travel insurance is a resident*  
30 *or conducts insurance operations;*

31       (e) *The producer of limited lines travel insurance has paid all*  
32 *applicable licensing fees in accordance with the provisions of this*  
33 *chapter; and*

34       (f) *The producer of limited lines travel insurance requires*  
35 *each employee and authorized representative of the travel retailer*  
36 *whose duties include offering and disseminating travel insurance*  
37 *to receive a program of instruction or training approved by the*  
38 *Commissioner. The training material provided as part of such a*  
39 *program must, at a minimum, contain instructions on the types of*  
40 *insurance offered, ethical sales practices and required disclosures*  
41 *to prospective purchasers.*

42       2. *Travel insurance may be provided as an individual policy*  
43 *or under a group or master policy.*

44       **Sec. 9. 1.** *Each producer of limited lines travel insurance*  
45 *shall, at the time of licensure, establish and maintain a register, on*



1 *a form and in a manner prescribed by the Commissioner, which*  
2 *includes a list of each travel retailer that offers and disseminates*  
3 *travel insurance on behalf of the producer of limited lines travel*  
4 *insurance. The register must include, without limitation:*

5 *(a) The name, address and contact information of the travel*  
6 *retailer;*

7 *(b) The name, address and contact information for each*  
8 *officer or other person who directs or controls the travel retailer's*  
9 *operations; and*

10 *(c) The travel retailer's federal tax identification number.*

11 *2. The producer of limited lines travel insurance shall*  
12 *regularly update the register and shall submit a copy of the*  
13 *register to the Commissioner on an annual basis as directed by*  
14 *the Commissioner. In addition to the annual submission of the*  
15 *register required by this subsection, the Commissioner may*  
16 *require, with reasonable notice and at the Commissioner's sole*  
17 *discretion, a producer of limited lines travel insurance to submit a*  
18 *copy of the register upon request.*

19 *3. A producer of limited lines travel insurance shall certify*  
20 *that the register required pursuant to subsection 1 does not violate*  
21 *the provisions of 18 U.S.C. 1033(c).*

22 **Sec. 10.** *1. An applicant for, or holder of, a license issued*  
23 *pursuant to section 7 of this act is not required to pass a written*  
24 *examination or meet any preclicensing education or continuing*  
25 *education requirements to receive or renew a license.*

26 *2. A travel retailer who is listed in the register maintained*  
27 *pursuant to section 9 of this act or any employee or authorized*  
28 *representative of such a travel retailer who is listed in the register*  
29 *of a producer of limited lines travel insurance, is not required to*  
30 *pass any written examination or complete any education*  
31 *requirements other than the program of instruction or training*  
32 *required by paragraph (f) of subsection 1 of section 8 of this act.*

33 **Sec. 11.** *A travel retailer offering or disseminating travel*  
34 *insurance shall make available to prospective purchasers a*  
35 *brochure or other written material that:*

36 *1. Provides the identity and contact information of the*  
37 *insurer and the producer of limited lines travel insurance;*

38 *2. Explains that the purchase of travel insurance may not be*  
39 *required to purchase any other product or service from the travel*  
40 *retailer; and*

41 *3. Discloses that a travel retailer may provide general*  
42 *information about the insurance offered by the travel retailer,*  
43 *including a description of the coverage and the price, but is not*  
44 *qualified or authorized to answer technical questions about the*  
45 *terms and conditions of the insurance offered by the travel retailer*



1 *or to evaluate the adequacy of any existing travel insurance the*  
2 *prospective purchaser may have.*

3 **Sec. 12.** *Any travel retailer, or an employee or authorized*  
4 *representative of the travel retailer, who does not hold a valid*  
5 *license as a producer of insurance pursuant to this chapter shall*  
6 *not:*

7 *1. Evaluate or interpret the technical terms, benefits and*  
8 *conditions of an offered travel insurance policy;*

9 *2. Evaluate, provide advice or render an opinion concerning*  
10 *a prospective purchaser's existing insurance coverage or whether*  
11 *such insurance provides adequate coverage for travel related*  
12 *risks; or*

13 *3. Hold himself or herself out as a licensed insurer, licensed*  
14 *producer of insurance or insurance expert.*

15 **Sec. 13.** *1. A travel retailer, or any employee or authorized*  
16 *representative of a travel retailer, who is listed in the register of a*  
17 *limited lines travel insurance producer as being authorized to*  
18 *offer and disseminate travel insurance pursuant to section 9 of*  
19 *this act may receive from the producer of limited lines travel*  
20 *insurance compensation related to the offering and disseminating*  
21 *of travel insurance.*

22 *2. A travel retailer, or employee or authorized representative*  
23 *of a travel retailer, who does not hold a valid license as a producer*  
24 *of insurance or a producer of limited lines travel insurance*  
25 *pursuant to this chapter shall not receive any compensation for*  
26 *the performance of any insurance related activity or service, other*  
27 *than the offering and disseminating of travel insurance as*  
28 *authorized pursuant to subsection 1.*

29 **Sec. 14.** *A producer of limited lines travel insurance is*  
30 *responsible for the acts of each travel retailer, or employee or*  
31 *authorized representative of a travel retailer, who offers or*  
32 *disseminates travel insurance under the license of the producer of*  
33 *limited lines travel insurance and shall use every reasonable*  
34 *means to ensure compliance by the travel retailers with the*  
35 *provisions of this chapter and any regulations adopted pursuant*  
36 *thereto.*

37 **Sec. 15.** *A producer of limited lines travel insurance and*  
38 *each travel retailer, or employee or authorized representative of a*  
39 *travel retailer, who offers or disseminates travel insurance under*  
40 *the license of a producer of limited lines travel insurance shall be*  
41 *subject to the provisions of NRS 683A.451 to 683A.520, inclusive,*  
42 *and chapter 686A of NRS.*

43 **Sec. 16.** (Deleted by amendment.)

44 **Sec. 17.** (Deleted by amendment.)

45 **Sec. 18.** (Deleted by amendment.)



1     **Sec. 19.** NRS 683A.261 is hereby amended to read as follows:

2     683A.261 1. Unless the Commissioner refuses to issue the  
3 license under NRS 683A.451, the Commissioner shall issue a  
4 license as a producer of insurance to a person who has satisfied the  
5 requirements of NRS 683A.241 and 683A.251. A producer of  
6 insurance may qualify for a license in one or more of the lines of  
7 authority permitted by statute or regulation, including:

8     (a) Life insurance on human lives, which includes benefits from  
9 endowments and annuities and may include additional benefits from  
10 death by accident and benefits for dismemberment by accident and  
11 for disability income.

12     (b) Accident and health insurance for sickness, bodily injury or  
13 accidental death, which may include benefits for disability income.

14     (c) Property insurance for direct or consequential loss or damage  
15 to property of every kind.

16     (d) Casualty insurance against legal liability, including liability  
17 for death, injury or disability and damage to real or personal  
18 property. For the purposes of a producer of insurance, this line of  
19 insurance includes surety indemnifying financial institutions or  
20 providing bonds for fidelity, performance of contracts or financial  
21 guaranty.

22     (e) Variable annuities and variable life insurance, including  
23 coverage reflecting the results of a separate investment account.

24     (f) Credit insurance, including credit life, credit accident and  
25 health, credit property, credit involuntary unemployment,  
26 guaranteed asset protection, and any other form of insurance offered  
27 in connection with an extension of credit that is limited to wholly or  
28 partially extinguishing the obligation which the Commissioner  
29 determines should be considered as limited-line credit insurance.

30     (g) Personal lines, consisting of automobile and motorcycle  
31 insurance and residential property insurance, including coverage for  
32 flood, of personal watercraft and of excess liability, written over one  
33 or more underlying policies of automobile or residential property  
34 insurance.

35     (h) Fixed annuities, including, without limitation, indexed  
36 annuities, as a limited line.

37     (i) Travel ~~and baggage~~ *insurance, as defined in section 5 of*  
38 *this act*, as a limited line.

39     (j) Rental car agency as a limited line.

40     (k) Portable electronics as a limited line.

41     (l) Crop as a limited line.

42     2. A license as a producer of insurance remains in effect unless  
43 revoked, suspended or otherwise terminated if a request for a  
44 renewal is submitted on or before the date for the renewal specified  
45 on the license, all applicable fees for renewal and a fee established



1 by the Commissioner of not more than \$15 for deposit in the  
2 Insurance Recovery Account are paid for each license and each  
3 authorization to transact business on behalf of a business  
4 organization licensed pursuant to subsection 2 of NRS 683A.251,  
5 and any requirement for education or any other requirement to  
6 renew the license is satisfied by the date specified on the license for  
7 the renewal. A producer of insurance may submit a request for a  
8 renewal of his or her license within 30 days after the date specified  
9 on the license for the renewal if the producer of insurance otherwise  
10 complies with the provisions of this subsection and pays, in addition  
11 to any fee paid pursuant to this subsection, a penalty of 50 percent  
12 of all applicable renewal fees, except for any fee required pursuant  
13 to NRS 680C.110. A license as a producer of insurance expires if  
14 the Commissioner receives a request for a renewal of the license  
15 more than 30 days after the date specified on the license for the  
16 renewal. A fee paid pursuant to this subsection is nonrefundable.

17 3. A natural person who allows his or her license as a producer  
18 of insurance to expire may reapply for the same license within 12  
19 months after the date specified on the license for a renewal without  
20 passing a written examination or completing a course of study  
21 required by paragraph (c) of subsection 1 of NRS 683A.251, but a  
22 penalty of twice all applicable renewal fees, except for any fee  
23 required pursuant to NRS 680C.110, is required for any request for a  
24 renewal of the license that is received after the date specified on the  
25 license for the renewal.

26 4. A licensed producer of insurance who is unable to renew his  
27 or her license because of military service, extended medical  
28 disability or other extenuating circumstance may request a waiver of  
29 the time limit and of any fine or sanction otherwise required or  
30 imposed because of the failure to renew.

31 5. A license must state the licensee's name, address, personal  
32 identification number, the date of issuance, the lines of authority and  
33 the date of expiration and must contain any other information the  
34 Commissioner considers necessary. The license must be made  
35 available for public inspection upon request.

36 6. A licensee shall inform the Commissioner of each change of  
37 business or residence address, in writing or by other means  
38 acceptable to the Commissioner, within 30 days after the change. If  
39 a licensee changes his or her business or residence address without  
40 giving written notice and the Commissioner is unable to locate the  
41 licensee after diligent effort, the Commissioner may revoke the  
42 license without a hearing. The mailing of a letter by certified mail,  
43 return receipt requested, addressed to the licensee at his or her last  
44 mailing address appearing on the records of the Division, and the



1 return of the letter undelivered, constitutes a diligent effort by the  
2 Commissioner.

3 **Sec. 20.** (Deleted by amendment.)

4 **Sec. 21.** (Deleted by amendment.)

5 **Sec. 22.** (Deleted by amendment.)

6 **Sec. 23.** (Deleted by amendment.)

7 **Sec. 24.** NRS 683A.325 is hereby amended to read as follows:

8 683A.325 1. ~~1A~~ ***Except as otherwise provided in section 13***  
9 ***of this act, a*** producer of insurance who is appointed as an agent  
10 may pay a commission or compensation for or on account of the  
11 selling, soliciting, procuring or negotiating of insurance in this State  
12 only to a licensed and appointed producer of insurance of the insurer  
13 with whom insurance was placed or to a licensed producer acting as  
14 a broker.

15 2. A licensee shall not accept any commission or compensation  
16 to which the licensee is not entitled pursuant to the provisions of this  
17 title.

18 **Sec. 25.** (Deleted by amendment.)

19 **Sec. 26.** (Deleted by amendment.)

20 **Sec. 27.** (Deleted by amendment.)

21 **Sec. 28.** (Deleted by amendment.)

22 **Sec. 29.** (Deleted by amendment.)

23 **Sec. 30.** (Deleted by amendment.)

24 **Sec. 31.** (Deleted by amendment.)

25 **Sec. 32.** (Deleted by amendment.)

26 **Sec. 33.** (Deleted by amendment.)

27 **Sec. 34.** (Deleted by amendment.)

28 **Sec. 35.** This act becomes effective upon passage and approval  
29 for the purpose of adopting any regulations and performing any  
30 other preparatory administrative tasks necessary to carry out the  
31 provisions of this act, and on January 1, 2016, for all other purposes.

