

As Introduced

**132nd General Assembly
Regular Session
2017-2018**

S. B. No. 169

**Senator Wilson
Cosponsor: Senator Eklund**

A BILL

To amend sections 3905.01, 3905.06, and 3905.40 and 1
to enact section 3905.064 of the Revised Code to 2
oversee the sale of travel insurance. 3

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

Section 1. That sections 3905.01, 3905.06, and 3905.40 be 4
amended and section 3905.064 of the Revised Code be enacted to 5
read as follows: 6

Sec. 3905.01. As used in this chapter: 7

(A) "Affordable Care Act" means the "Patient Protection 8
and Affordable Care Act," 124 Stat. 119, 42 U.S.C. 18031 (2011). 9

(B) "Business entity" means a corporation, association, 10
partnership, limited liability company, limited liability 11
partnership, or other legal entity. 12

(C) "Home state" means the state or territory of the 13
United States, including the District of Columbia, in which an 14
insurance agent maintains the insurance agent's principal place 15
of residence or principal place of business and is licensed to 16
act as an insurance agent. 17

(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, 47
mortgage disability, guaranteed automobile protection insurance, 48
or any other form of insurance offered in connection with an 49
extension of credit that is limited to partially or wholly 50
extinguishing that credit obligation and that is designated by 51
the superintendent as limited line credit insurance. 52

(J) "Limited line credit insurance agent" means a person 53
that sells, solicits, or negotiates one or more forms of limited 54
line credit insurance to individuals through a master, 55
corporate, group, or individual policy. 56

(K) "Limited lines insurance" means those lines of 57
authority set forth in divisions (B) (7) to ~~(12)~~ (13) of section 58
3905.06 of the Revised Code or in rules adopted by the 59
superintendent, or any lines of authority the superintendent 60
considers necessary to recognize for purposes of complying with 61
section 3905.072 of the Revised Code. 62

(L) "Limited lines insurance agent" means a person 63
authorized by the superintendent to sell, solicit, or negotiate 64
limited lines insurance. 65

(M) "NAIC" means the national association of insurance 66
commissioners. 67

(N) "Insurance navigator" means a person selected to 68
perform the activities and duties identified in division (i) of 69
section 1311 of the Affordable Care Act that is certified by the 70
superintendent of insurance under section 3905.471 of the 71
Revised Code. "Insurance navigator" refers to a navigator 72
specified in section 1311 of the Affordable Care Act, 42 U.S.C. 73
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 82
any means, for money or its equivalent, on behalf of an insurer. 83

(R) "Self-service storage facility" means an entity that 84
is engaged in the business of providing real property designed 85
and used for the purpose of renting or leasing individual 86
storage space to the public who are to have access to the space 87
for the purpose of storing and removing personal property on a 88
self-service basis, but does not include a garage or other 89
storage area in a private residence. 90

(S) "Solicit" means to attempt to sell insurance, or to 91
ask or urge a person to apply for a particular kind of insurance 92
from a particular insurer. 93

(T) "Superintendent" or "superintendent of insurance" 94
means the superintendent of insurance of this state. 95

(U) "Terminate" means to cancel the relationship between 96
an insurance agent and the insurer or to terminate an insurance 97
agent's authority to transact insurance. 98

(V) "Uniform application" means the NAIC uniform 99
application for resident and nonresident agent licensing, as 100
amended by the NAIC from time to time. 101

(W) "Uniform business entity application" means the NAIC 102
uniform business entity application for resident and nonresident 103

business entities, as amended by the NAIC from time to time.	104
(X) "Exchange" means a health benefit exchange established	105
by the state government of Ohio or an exchange established by	106
the United States department of health and human services in	107
accordance with the "Patient Protection and Affordable Care	108
Act," 124 Stat. 119, 42 U.S.C. 18031 (2011).	109
Sec. 3905.06. (A) (1) The superintendent of insurance shall	110
issue a resident insurance agent license to an individual	111
applicant whose home state is Ohio upon submission of a	112
completed application and payment of any applicable fee required	113
under this chapter, if the superintendent finds all of the	114
following:	115
(a) The applicant is at least eighteen years of age.	116
(b) The applicant has not committed any act that is a	117
ground for the denial, suspension, or revocation of a license	118
under section 3905.14 of the Revised Code.	119
(c) If required under section 3905.04 of the Revised Code,	120
the applicant has completed a program of insurance education for	121
each line of authority for which the applicant has applied.	122
(d) If required under section 3905.04 of the Revised Code,	123
the applicant has passed an examination for each line of	124
authority for which the applicant has applied.	125
(e) Any applicant applying for variable life-variable	126
annuity line of authority is registered with the financial	127
industry regulatory authority (FINRA) as a registered	128
representative after having passed at least one of the following	129
examinations administered by the FINRA: the series 6	130
examination, the series 7 examination, the series 63	131
examination, the series 66 examination, or any other FINRA	132

examination approved by the superintendent.	133
(f) If required under section 3905.051 of the Revised Code, the applicant has consented to a criminal records check and the results of the applicant's criminal records check are determined to be satisfactory by the superintendent.	134 135 136 137
(g) The applicant is a United States citizen or has provided proof of having legal authorization to work in the United States.	138 139 140
(h) The applicant is of good reputation and character, is honest and trustworthy, and is otherwise suitable to be licensed.	141 142 143
(2) The superintendent shall issue a resident insurance agent license to a business entity applicant upon submission of a completed application and payment of any applicable fees required under this chapter if the superintendent finds all of the following:	144 145 146 147 148
(a) Except as provided under division (C)(2) of section 3905.062 or division (C)(2) of section 3905.063 of the Revised Code, the applicant either is domiciled in Ohio or maintains its principal place of business in Ohio.	149 150 151 152
(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.	153 154 155
(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.	156 157 158
(d) Any applicant applying for a portable electronics insurance license line of authority satisfies the requirements	159 160

of division (C) (1) of section 3905.062 of the Revised Code or 161
any applicant applying for a self-service storage insurance 162
license line of authority satisfies the requirements of division 163
(C) (1) of section 3905.063 of the Revised Code. 164

(e) The applicant has submitted any other documents 165
requested by the superintendent. 166

(B) An insurance agent license issued pursuant to division 167
(A) of this section shall state the licensee's name, the license 168
number, the date of issuance, the date the license expires, the 169
line or lines of authority for which the licensee is qualified, 170
and any other information the superintendent deems necessary. 171

A licensee may be qualified for any of the following lines 172
of authority: 173

(1) Life, which is insurance coverage on human lives, 174
including benefits of endowment and annuities, and may include 175
benefits in the event of death or dismemberment by accident and 176
benefits for disability income; 177

(2) Accident and health, which is insurance coverage for 178
sickness, bodily injury, or accidental death, and may include 179
benefits for disability income; 180

(3) Property, which is insurance coverage for the direct 181
or consequential loss or damage to property of any kind; 182

(4) Casualty, which is insurance coverage against legal 183
liability, including coverage for death, injury, or disability 184
or damage to real or personal property; 185

(5) Personal lines, which is property and casualty 186
insurance coverage sold to individuals and families for 187
noncommercial purposes; 188

(6) Variable life and variable annuity products, which is insurance coverage provided under variable life insurance contracts and variable annuities;	189 190 191
(7) Credit, which is limited line credit insurance;	192
(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;	193 194 195
(9) Surety bail bond, which is the authority set forth in sections 3905.83 to 3905.95 of the Revised Code;	196 197
(10) Portable electronics insurance, which is a limited line described in section 3905.062 of the Revised Code;	198 199
(11) Self-service storage insurance, which is a limited line described in section 3905.063 of the Revised Code;	200 201
(12) <u>Travel insurance, which is a limited line described in section 3905.064 of the Revised Code;</u>	202 203
<u>(13)</u> Any other line of authority designated by the superintendent.	204 205
(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.	206 207 208 209 210 211 212 213
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	214 215 216

also may require an applicant to submit any document reasonably 217
necessary to verify the information contained in the renewal 218
application. 219

(2) To be eligible for renewal, an individual applicant 220
shall complete the continuing education requirements pursuant to 221
section 3905.481 of the Revised Code prior to the renewal date. 222

(3) If an applicant submits a completed renewal 223
application, qualifies for renewal pursuant to divisions (C)(1) 224
and (2) of this section, and has not committed any act that is a 225
ground for the refusal to issue, suspension of, or revocation of 226
a license under section 3905.14 of the Revised Code, the 227
superintendent shall renew the applicant's resident insurance 228
agent license. 229

(D) If an individual or business entity does not apply for 230
the renewal of the individual or business entity's license on or 231
before the license renewal date specified in division (C)(1) of 232
this section, the individual or business entity may submit a 233
late renewal application along with all applicable fees required 234
under this chapter prior to the first day of the second month 235
following the license renewal date. 236

(E) A license issued under this section that is not 237
renewed on or before its renewal date pursuant to division (C) 238
of this section or its late renewal date pursuant to division 239
(D) of this section automatically is suspended for nonrenewal on 240
the first day of the second month following the renewal date. If 241
a license is suspended for nonrenewal pursuant to this division, 242
the individual or business entity is eligible to apply for 243
reinstatement of the license within the twelve-month period 244
following the date by which the license should have been renewed 245
by complying with the reinstatement procedure established by the 246

superintendent and paying all applicable fees required under 247
this chapter. 248

(F) A license that is suspended for nonrenewal that is not 249
reinstated pursuant to division (E) of this section 250
automatically is canceled unless the superintendent is 251
investigating any allegations of wrongdoing by the agent or has 252
initiated proceedings under Chapter 119. of the Revised Code. In 253
that case, the license automatically is canceled after the 254
completion of the investigation or proceedings unless the 255
superintendent revokes the license. 256

(G) An individual licensed as a resident insurance agent 257
who is unable to comply with the license renewal procedures 258
established under this section and who is unable to engage in 259
the business of insurance due to military service, a long-term 260
medical disability, or some other extenuating circumstance may 261
request an extension of the renewal date of the individual's 262
license. To be eligible for such an extension, the individual 263
shall submit a written request with supporting documentation to 264
the superintendent. At the superintendent's discretion, the 265
superintendent may not consider a written request made after the 266
renewal date of the license. 267

Sec. 3905.064. (A) As used in this section: 268

(1) "Limited lines travel insurance agent" means an 269
individual or business entity licensed to sell, solicit, or 270
negotiate travel insurance under this section. 271

(2) "Travel insurance" means insurance coverage for 272
personal risks incident to planned travel, including all of the 273
following: 274

(a) Interruption or cancellation of a trip or event; 275

<u>(b) Loss of baggage or personal effects;</u>	276
<u>(c) Damages to accommodations or rental vehicles;</u>	277
<u>(d) Sickness, accident, disability, or death occurring during travel.</u>	278 279
<u>"Travel insurance" does not include major medical plans that provide comprehensive medical protection for a traveler with a trip lasting six months or longer, including a plan covering a person working overseas as an expatriate or in a deployed military unit.</u>	280 281 282 283 284
<u>(3) "Travel retailer" means a business entity that makes, arranges, or offers travel services, and that may offer or sell travel insurance as a service to its customers on behalf of, and under the direction of, a limited lines travel insurance agent in conjunction with the making, arranging, or offering of travel services.</u>	285 286 287 288 289 290
<u>(B) No person shall offer or sell travel insurance except as provided in this section.</u>	291 292
<u>(C) Notwithstanding any other provision of law, the superintendent of insurance may issue to an individual or business entity a limited lines travel insurance agent license that authorizes the holder of the license to sell, solicit, or negotiate travel insurance through a licensed insurer if both of the following requirements are met:</u>	293 294 295 296 297 298
<u>(1) The individual or business entity has submitted an application to the superintendent for the license on a form and in a manner prescribed by the superintendent.</u>	299 300 301
<u>(2) The individual or business entity has paid all fees applicable under this chapter.</u>	302 303

(D) (1) At the time the superintendent of insurance issues a license under this section, the limited lines travel insurance agent shall establish and maintain on a form prescribed by the superintendent a register of each travel retailer that offers or sells travel insurance on the agent's behalf. 304
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(2) The limited lines travel insurance agent shall submit the register to the department of insurance upon reasonable request, and shall certify that the registered travel retailer complies with 18 U.S.C. 1033. 309
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(E) Notwithstanding any other provision of law, a travel retailer may offer and sell travel insurance under a limited lines travel insurance agent that is a business entity if all of the following conditions are met: 313
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(1) The limited lines travel insurance agent or travel retailer provides all of the following information to purchasers of travel insurance at the time of sale or in the fulfillment materials provided to purchasers: 317
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(a) A description of the material terms or the actual terms of the insurance coverage; 321
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(b) A description of the process for filing a claim; 323

(c) A description of the review or cancellation process for the travel insurance policy; 324
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(d) The identity and contact information of the insurer and limited lines travel insurance agent. 326
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(2) (a) The limited lines travel insurance agent designates one of the agent's employees as the responsible insurance agent who is responsible for the limited lines travel insurance agent's compliance with the travel insurance laws and rules of 328
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this state. The designated responsible insurance agent must be a 332
licensed insurance agent qualified in any of the following lines 333
of authority in accordance with section 3905.06 of the Revised 334
Code: 335

(i) Travel; 336

(ii) Property; 337

(iii) Personal. 338

(b) The responsible insurance agent shall comply with the 339
fingerprinting requirements of section 3905.051 of the Revised 340
Code or the applicable fingerprinting requirements of the home 341
state of the limited lines travel insurance agent. 342

(3) The limited lines travel insurance agent business 343
entity and the responsible insurance agent are responsible for 344
the acts of the travel retailer and use reasonable means to 345
ensure compliance with this section by the travel retailer. 346

(4) (a) The limited lines travel insurance agent requires 347
each employee and authorized representative of the travel 348
retailer, whose duties include offering or selling travel 349
insurance, to receive a program of instruction or training that 350
is subject to review by the superintendent of insurance. 351

(b) The training material shall, at minimum, contain 352
instructions on the types of insurance offered, ethical sales 353
practices, and required disclosures to prospective customers. 354
The training materials shall be subject to review by the 355
superintendent of insurance. 356

(5) The travel retailer offers or sells the travel 357
insurance only in conjunction with the making, arranging, or 358
offering of travel services. 359

(F) A limited lines travel insurance agent, as well as any 360
travel retailer and the retailer's employees that are registered 361
under division (D) of this section, are exempt from any 362
examination and education requirements as set forth in section 363
3905.04 of the Revised Code for purposes of this section only. 364

(G) (1) Any travel retailer offering or selling travel 365
insurance shall make available to prospective purchasers 366
brochures or other written materials that contain all of the 367
following: 368

(a) The identity and contact information of the insurer 369
and the limited lines travel insurance agent; 370

(b) An explanation that the purchase of travel insurance 371
is not required in order to purchase any other product or 372
service from the travel retailer; 373

(c) An explanation that an unlicensed travel retailer is 374
permitted to provide general information about the insurance 375
offered by the travel retailer, including a description of the 376
coverage and price, but is not qualified or authorized to answer 377
technical questions about the terms and conditions of the 378
insurance offered by the travel retailer or to evaluate the 379
adequacy of the customer's existing insurance coverage. 380

(2) A travel retailer's employee or authorized 381
representative who is not licensed as an insurance agent shall 382
not do any of the following: 383

(a) Evaluate or interpret the technical terms, benefits, 384
and conditions of the offered travel insurance coverage; 385

(b) Evaluate or provide advice concerning a prospective 386
purchaser's existing insurance coverage; 387

(c) Hold itself out as a licensed insurer, licensed agent, 388
or insurance expert; 389

(d) Offer or sell travel insurance, unless the travel 390
insurance is offered or sold in conjunction with and incidental 391
to the sale of travel services. 392

(3) Notwithstanding any other provision of law, a travel 393
retailer whose insurance-related activities, and those of its 394
employees and authorized representatives, are limited to 395
offering or selling travel insurance on behalf of and under the 396
direction of a limited lines travel insurance agent that meets 397
the requirements of this section, is authorized to offer and 398
sell insurance and receive related compensation for these 399
services, if the travel retailer is registered by the limited 400
lines travel insurance agent as described in division (D) of 401
this section. Any compensation paid to a travel retailer's 402
employee or authorized representative for the services described 403
in this section shall be incidental to the employee's or 404
authorized representative's overall compensation and not based 405
primarily on the number of customers who purchase travel 406
insurance coverage. 407

(a) Nothing in this section shall be construed to prohibit 408
payment of compensation to a travel retailer or its employees or 409
authorized representatives for activities under the limited 410
lines travel insurance agent's license that are incidental to 411
the overall compensation of the travel retailer or the employees 412
or authorized representatives of the facility. 413

(b) All costs paid or charged to a consumer for the 414
purchase of travel insurance or related services shall be 415
separately itemized on the customer's bill. 416

(H) Travel insurance may be provided under individual or group insurance. 417
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(I) Any limited lines travel insurance agent, or any travel retailer offering or selling travel insurance under a limited lines travel insurance agent, that fails to comply with the provisions of this section is deemed to have engaged in an unfair and deceptive act or practice in the business of insurance as defined in section 3901.21 of the Revised Code and is subject to section 3905.14 of the Revised Code. 419
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(J) A license issued under this section shall be renewed on a biennial basis as set forth in sections 3905.06 and 3905.07 of the Revised Code. 426
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Sec. 3905.40. There shall be paid to the superintendent of insurance the following fees: 429
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(A) Each insurance company doing business in this state shall pay: 431
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(1) For filing a copy of its charter or deed of settlement, two hundred fifty dollars; 433
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(2) For filing each statement, one hundred seventy-five dollars; 435
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(3) For each certificate of authority or license, one hundred seventy-five, and for each certified copy thereof, five dollars; 437
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(4) For each copy of a paper filed in the superintendent's office, twenty cents per page; 440
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(5) For issuing certificates of deposits or certified copies thereof, five dollars for the first certificate or copy and one dollar for each additional certificate or copy; 442
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(6) For issuing certificates of compliance or certified copies thereof, sixty dollars;	445 446
(7) For affixing the seal of office and certifying documents, other than those enumerated herein, two dollars;	447 448
(8) For each agent appointment and each annual renewal of an agent appointment, not more than twenty dollars.	449 450
(B) Each domestic life insurance company doing business in this state shall pay for annual valuation of its policies, one cent on every one thousand dollars of insurance.	451 452 453
(C) Each applicant for licensure as an insurance agent except applicants for licensure as surety bail bond agents, surplus line brokers, portable electronics insurance vendors, and self-service storage facilities shall pay ten dollars for each line of authority requested. Fees collected under this division shall be credited to the department of insurance operating fund created in section 3901.021 of the Revised Code.	454 455 456 457 458 459 460
(D) Each domestic mutual life insurance company shall pay for verifying that any amendment to its articles of incorporation was regularly adopted, two hundred fifty dollars with each application for verification. Any such amendment shall be considered to have been regularly adopted when approved by the affirmative vote of two-thirds of the policyholders present in person or by proxy at any annual meeting of policyholders or at a special meeting of policyholders called for that purpose.	461 462 463 464 465 466 467 468
(E) Each insurance agent doing business in this state shall pay a biennial license renewal fee of twenty-five dollars, except the following insurance agents are not required to pay that license renewal fee:	469 470 471 472
(1) Individual resident agents who have met their	473

continuing education requirements under section 3905.481 of the Revised Code;	474 475
(2) Surety bail bond agents;	476
(3) Surplus line brokers;	477
(4) Portable electronics insurance vendors;	478
(5) Self-service storage facilities;	479
<u>(6) Limited lines travel insurance agents.</u>	480
(F) Each applicant for licensure as a portable electronics insurance vendor with a portable electronics insurance limited lines license and each licensed vendor doing business in this state shall pay the following fees prescribed by the superintendent:	481 482 483 484 485
(1) For vendors engaged in portable electronic transactions at more than ten locations in this state, an application fee not to exceed five thousand dollars for an initial license and a biennial license renewal fee not to exceed two thousand five hundred dollars for each renewal thereafter;	486 487 488 489 490
(2) For vendors engaged in portable electronic transactions at ten or fewer locations in this state, an application fee not to exceed three thousand dollars for an initial license and a biennial license renewal fee not to exceed one thousand dollars for each renewal thereafter.	491 492 493 494 495
(G) <u>Each applicant for licensure as a limited lines travel insurance agent shall pay an application fee prescribed by the superintendent not to exceed fifty dollars for an initial license and a biennial license renewal fee prescribed by the superintendent not to exceed fifty dollars for each renewal thereafter.</u>	496 497 498 499 500 501

(H) Each applicant for a self-service storage insurance 502
limited lines license and each holder of such a license in this 503
state shall pay an application fee not to exceed ten dollars for 504
an initial license and a biennial license renewal fee not to 505
exceed twenty-five dollars for each renewal thereafter. 506

~~(H)~~(I) All fees collected by the superintendent under 507
this section except any fees collected under divisions (A) (2), 508
(3), and (6) of this section shall be credited to the department 509
of insurance operating fund created under section 3901.021 of 510
the Revised Code. 511

Section 2. That existing sections 3905.01, 3905.06, and 512
3905.40 of the Revised Code are hereby repealed. 513

Section 3. The amendment of sections 3905.01, 3905.06, and 514
3905.40 and the enactment of section 3905.064 of the Revised 515
Code in this act shall take effect ninety days after the 516
effective date of this act. 517