
DIGEST

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HB 542 Reengrossed

2017 Regular Session

Stokes

Abstract: Provides for the line of travel insurance to be offered in Louisiana.

Proposed law applies to travel insurance where policies and certificates are delivered or issued for delivery in La.

Proposed law provides for definitions.

Proposed law subjects travel insurers to the provisions of the Insurance Code in regards to requirements for deposits, assessments, fees, and taxes, including the premium tax.

Proposed law allows for the offering of travel protection plans for one price if there is no finding that the travel insurance market is noncompetitive, certain waivers are clearly delineated in the plan's materials, and the plan clearly discloses that it includes travel insurance, travel assistance services, and cancellation fee waivers.

Proposed law allows the inclusion of blanket travel insurance coverage with the purchase of a trip.

Proposed law allows travel insurance to be provided by an individual policy or under a group or master policy.

Proposed law requires disclosure of pre-existing condition exclusions.

Proposed law requires disclosure of whether the policy is primary or secondary to other applicable coverage.

Proposed law provides policyholders with 10 days from the date of purchase to cancel the policy, unless a covered trip has commenced or a claim under the policy has been filed.

Proposed law provides that travel insurance shall be classified and filed as a marine and transportation line of insurance.

Proposed law allows the commissioner to promulgate rules and regulations under the APA.

Effective Jan. 1, 2018.

(Adds R.S. 22:1351-1358)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Clarify that a travel insurer shall pay premium tax on travel insurance premiums paid by any one of the following:
 - (a) An individual policyholder who is a resident of Louisiana;
 - (b) A certificate-holder who is a resident of Louisiana who elects coverage under a group travel insurance policy; or
 - (c) An eligible group policyholder that resides in Louisiana or has its principal place of business in Louisiana, and purchases a blanket travel insurance policy.
2. Require disclosure of pre-existing condition exclusions.
3. Provide policyholders with a minimum of 10 days from the date of purchase to review and cancel the policy, unless a covered trip has started or a claim under the policy has been filed.
4. Require disclosure of whether a travel insurance policy is primary or secondary to other applicable coverage.
5. Provide that an accurate summary or short description of coverage provided on a web page is not an unfair trade practice if the consumer has access to the full provisions of the policy through electronic means.
6. Prohibit use of a negative option or opt-out that would require a consumer to take an affirmative action to decline a travel insurance policy.
7. Provide that travel insurance shall be classified and filed as a marine and transportation line of insurance.
8. Provide that travel insurance may be provided by an individual or group master policy.
9. Clarify that travel insurance offered as part of a travel protection plan may be offered as an individual policy, group policy, or blanket policy.
10. Define "offer and disseminate" in accordance with present law (R.S. 22:1782.1.)
11. Define "affiliated business entity" and "affiliated insurer" in accordance with the definition of "affiliated company" in present law (R.S. 22:550.2).
12. Define "travel retailer" in accordance with present law (R.S. 22:1782.1).
13. Clarify that all persons involved in offering, soliciting, or negotiating travel insurance to residents of Louisiana are subject to the unfair trade practices provision of present law

(R.S. 22:1901 et seq.)

14. Make technical changes.