

## IMPORTANT INFORMATION FOR TRAVEL AGENCIES AND AGENTS REGARDING TRAVEL INSURANCE

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The law governing the sale, solicitation, or negotiation of travel insurance by travel agents and agencies changed effective July 1, 2012. The changes are described below and in the associated Frequently Asked Questions document.

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### Definitions

The new law gives specific legal definitions to “travel insurance,” “travel insurance producer,” and “travel insurance retailer.” When used in the law and in this document, these terms have the meanings listed here:

- **“Travel insurance”** means insurance coverage for personal risks incident to planned travel, including, but not limited to:
  - (1) interruption or cancellation of trip or event;
  - (2) loss of baggage or personal effects;
  - (3) damages to accommodations or rental vehicles; or
  - (4) sickness, accident, disability, or death occurring during travel.

Travel insurance does not include major medical plans, which provide comprehensive medical protection for travelers with trips lasting six months or longer, including those working overseas as an expatriate or military personnel being deployed.

- **“Travel insurance producer”** means an insurer designee, such as a managing general underwriter, managing general agent, or licensed limited lines producer of travel insurance.
  
- **“Travel retailer”** means a business entity that offers and disseminates travel insurance on behalf of and under the direction of a travel insurance producer.

## Licenses

Minnesota Statutes, Chapter §60K generally requires any person or business entity who sells, solicits, or negotiates insurance in Minnesota to be appropriately licensed. Under the new law, a travel retailer may offer and disseminate travel insurance if the retailer is acting on behalf of and under the license of an appropriately licensed travel insurance producer. The travel insurance producer must hold a business entity license, and the following requirements must also be met:

1. the licensed business entity must be clearly identified as the licensed producer on marketing materials and fulfillment packages distributed by travel retailers to customers, and identification must include the entity's name and contact information;
2. the licensed business entity must keep a register of each travel retailer that offers travel insurance on the licensed business entity's behalf. The register must include the name 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 Employer Identification Number. The licensed business entity must also certify that the travel retailer registered complies with United States Code, title 18, section 1033;
3. the licensed business entity must have designated one of its employees as a licensed individual producer, a "designated responsible producer" or "DRP," responsible for the business entity's compliance with Minnesota insurance laws and rules;
4. the DRP, president, secretary, treasurer, and any other officer or person who directs or controls the licensed business entity's insurance operations must comply with the fingerprinting requirements applicable to insurance producers in the business entity's resident state;
5. the licensed business entity must have paid all applicable insurance producer licensing fees as set forth in Minnesota state law; and
6. the licensed business entity must require each employee 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 of the Minnesota Department of Commerce.

As the insurer designee, the travel insurance producer is responsible for the acts of the travel retailer.

## FREQUENTLY ASKED QUESTIONS

### **Do travel agents need a license to sell or distribute travel insurance?**

Yes. Either the agent needs to be licensed as an individual insurance producer with the appropriate line of authority, or the agent must be employed by a business entity that offers and disseminates travel insurance on behalf of and under the direction of an appropriately licensed travel insurance producer. Generally, Minnesota state law requires any person or business entity who sells, solicits, or negotiates insurance in Minnesota to be licensed for the associated line of authority.

### **Under this new law, if I become an employee of a travel retailer, can I keep my license?**

Yes.

### **Do individual insurance producers who sell, solicit, or negotiate travel insurance in the course of their insurance business still need a license?**

Yes.

**I am [one of the following: the designated responsible producer, president, secretary, treasurer, or any other officer or person who directs or controls the travel insurance producer's insurance operations] and must now comply with the fingerprinting requirements applicable to insurance producers in my company's resident state, which is not Minnesota. How do I find out what those requirements are?**

Contact the department of insurance in your company's resident state.

**I am [one of the following: the designated responsible producer, president, secretary, treasurer, or any other officer or person who directs or controls the travel insurance producer's insurance operations] and must now comply with the fingerprinting requirements applicable to insurance producers in my company's resident state. My company's resident state is Minnesota. Does Minnesota require resident insurance producers to be fingerprinted for a criminal history background check?**

Yes.

**What should I do to meet the requirement to submit fingerprints?**

Go to any local police station or similar facility with manual fingerprinting capability to have your fingerprints taken manually. The facility will charge a processing fee. After your fingerprints are taken, the fingerprint card will be given back to you in a sealed envelope. **Do not fold it.** Put it into another envelope along with a fully completed "Business Entity Producer License (Travel) Background Check Consent Form" (part of the license application that is available at [mn.gov/commerce/insurance](http://mn.gov/commerce/insurance)) and a check for \$36.50 made out to "Minnesota Department of Commerce" and mail it to:

Consumer & Industry Services  
Attn: Cheryl Costello  
Minnesota Department of Commerce  
85 – 7th Place East, Suite 600  
St. Paul, MN 55101