

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Illinois Insurance Code is amended by changing Section 500-10 and by adding Article XLVI as follows:

(215 ILCS 5/500-10)

(Section scheduled to be repealed on January 1, 2027)

Sec. 500-10. Definitions. In addition to the definitions in Section 2 of the Code, the following definitions apply to this Article:

"Business entity" means a corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity.

"Car rental limited line licensee" means a person authorized under the provisions of Section 500-105 to sell certain coverages relating to the rental of vehicles.

"Home state" means the District of Columbia and any state or territory of the United States in which an insurance producer maintains his or her principal place of residence or principal place of business and is licensed to act as an insurance producer.

"Insurance" means any of the lines of authority in Section 500-35, any health care plan under the Health Maintenance

Organization Act, or any limited health care plan under the Limited Health Service Organization Act.

"Insurance producer" means a person required to be licensed under the laws of this State to sell, solicit, or negotiate insurance.

"Insurer" means a company as defined in subsection (e) of Section 2 of this Code, a health maintenance organization as defined in the Health Maintenance Organization Act, or a limited health service organization as defined in the Limited Health Service Organization Act.

"License" means a document issued by the Director authorizing an individual to act as an insurance producer for the lines of authority specified in the document or authorizing a business entity to act as an insurance producer. The license itself does not create any authority, actual, apparent, or inherent, in the holder to represent or commit an insurance carrier.

"Limited lines insurance" means those lines of insurance defined in Section 500-100 or any other line of insurance that the Director may deem it necessary to recognize for the purposes of complying with subsection (e) of Section 500-40.

"Limited lines producer" means a person authorized by the Director to sell, solicit, or negotiate limited lines insurance.

"Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective

purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers.

"Person" means an individual or a business entity.

"Rental agreement" means a written agreement setting forth the terms and conditions governing the use of a vehicle provided by a rental company for rental or lease.

"Rental company" means a person, or a franchisee of the person, in the business of providing primarily private passenger vehicles to the public under a rental agreement for a period not to exceed 30 days.

"Rental period" means the term of the rental agreement.

"Renter" means a person obtaining the use of a vehicle from a rental company under the terms of a rental agreement for a period not to exceed 30 days.

"Self-service storage facility limited line licensee" means a person authorized under the provisions of Section 500-107 to sell certain coverages relating to the rental of self-service storage facilities.

"Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company.

"Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance

from a particular company.

"Terminate" means the cancellation of the relationship between an insurance producer and the insurer or the termination of a producer's authority to transact insurance.

"Travel insurance" has the meaning provided in Section 1630 ~~means insurance coverage for personal risks incident to planned travel, including, but not limited to: (1) the interruption or cancellation of a trip or event, (2) the 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 that provide comprehensive medical protection for travelers with trips lasting 6 months or longer, including those working overseas as an ex patriot or as military personnel on deployment.~~

"Uniform Business Entity Application" means the current version of the National Association of Insurance Commissioners' Uniform Business Entity Application for nonresident business entities.

"Uniform Application" means the current version of the National Association of Insurance Commissioners' Uniform Application for nonresident producer licensing.

"Vehicle" or "rental vehicle" means a motor vehicle of (1) the private passenger type, including passenger vans, mini vans, and sport utility vehicles or (2) the cargo type, including cargo vans, pickup trucks, and trucks with a gross

vehicle weight of less than 26,000 pounds the operation of which does not require the operator to possess a commercial driver's license.

"Webinar" means an online educational presentation during which a live and participating instructor and participating viewers, whose attendance is periodically verified throughout the presentation, actively engage in discussion and in the submission and answering of questions.

(Source: P.A. 97-113, eff. 7-14-11; 98-1165, eff. 6-1-15.)

(215 ILCS 5/Art. XLVI heading new)

ARTICLE XLVI. TRAVEL INSURANCE

(215 ILCS 5/1620 new)

Sec. 1620. Short title. This Article may be cited as the Travel Insurance Act.

(215 ILCS 5/1625 new)

Sec. 1625. Scope and purposes.

(a) The purpose of this Article is to promote the public welfare by creating a comprehensive legal framework within which travel insurance may be sold in this State.

(b) This Article applies to travel insurance that covers any resident of this State, and is sold, solicited, negotiated, or offered in this State, and policies and certificates that are delivered or issued for delivery in this

State. This Article does not apply to cancellation fee waivers or travel assistance services except as expressly provided in this Article.

(c) All other applicable provisions of this State's insurance laws shall continue to apply to travel insurance, except that the specific provisions of this Article shall supersede any general provisions of law that would otherwise be applicable to travel insurance.

(215 ILCS 5/1630 new)

Sec. 1630. Definitions. As used in this Article:

"Aggregator site" means a website that provides access to information regarding insurance products from more than one insurer, including product and insurer information, for use in comparison shopping.

"Blanket travel insurance" means a policy of travel insurance issued to any eligible group providing coverage for specific classes of persons defined in the policy with coverage provided to all members of the eligible group without a separate charge to individual members of the eligible group.

"Cancellation fee waiver" means a contractual agreement between a supplier of travel services and its customer to waive some or all of the nonrefundable cancellation fee provisions of the supplier's underlying travel contract with or without regard to the reason for the cancellation or form of reimbursement. A "cancellation fee waiver" is not insurance.

"Eligible group", solely for the purposes of travel insurance, means 2 or more persons who are engaged in a common enterprise, or have an economic, educational, or social affinity or relationship, including, but not limited to, any of the following:

(1) any entity engaged in the business of providing travel or travel services, including, but not limited to: tour operators, lodging providers, vacation property owners, hotels and resorts, travel clubs, travel agencies, property managers, cultural exchange programs, and common carriers or the operator, owner, or lessor of a means of transportation of passengers, including, but not limited to, airlines, cruise lines, railroads, steamship companies, and public bus carriers, wherein with regard to any particular travel or type of travel or travelers, all members or customers of the group must have a common exposure to risk attendant to such travel;

(2) any college, school, or other institution of learning covering students, teachers, employees, or volunteers;

(3) any employer covering any group of employees, volunteers, contractors, board of directors, dependents, or guests;

(4) any sports team, camp, or sponsor of any sports team or camp covering participants, members, campers, employees, officials, supervisors, or volunteers;

(5) any religious, charitable, recreational, educational, or civic organization, or branch of an organization covering any group of members, participants, or volunteers;

(6) any financial institution or financial institution vendor, or parent holding company, trustee, or agent of or designated by one or more financial institutions or financial institution vendors, including account holders, credit card holders, debtors, guarantors, or purchasers;

(7) any incorporated or unincorporated association, including labor unions, having a common interest, constitution and bylaws, and organized and maintained in good faith for purposes other than obtaining insurance for members or participants of such association covering its members;

(8) any trust or the trustees of a fund established, created, or maintained for the benefit of and covering members, employees or customers, subject to the Director's permitting the use of a trust and the State's premium tax provisions, of one or more associations meeting the requirements of paragraph (7) of this definition;

(9) any entertainment production company covering any group of participants, volunteers, audience members, contestants, or workers;

(10) any volunteer fire department, ambulance, rescue, police, court, or any first aid, civil defense, or other



such volunteer group;

(11) preschools, day care institutions for children or adults, and senior citizen clubs;

(12) any automobile or truck rental or leasing company covering a group of individuals who may become renters, lessees, or passengers defined by their travel status on the rented or leased vehicles. The common carrier, the operator, owner or lessor of a means of transportation, or the automobile or truck rental or leasing company, is the policyholder under a policy to which this Section applies;  
or

(13) any other group where the Director has determined that the members are engaged in a common enterprise, or have an economic, educational, or social affinity or relationship, and that issuance of the policy would not be contrary to the public interest.

"Fulfillment materials" means documentation sent to the purchaser of a travel protection plan confirming the purchase and providing the travel protection plan's coverage and assistance details.

"Group travel insurance" means travel insurance issued to any eligible group.

"Limited lines travel insurance producer" means one of the following:

(1) a licensed managing general agent or third-party administrator;

(2) a licensed insurance producer, including a limited lines producer; or

(3) a travel administrator.

"Offering and disseminating" means the following:

(1) Providing information to a prospective or current policyholder on behalf of a limited lines travel insurance entity, including brochures, buyer guides, descriptions of coverage, and price.

(2) Referring specific questions regarding coverage features and benefits from a prospective or current policyholder to a limited lines travel insurance entity.

(3) Disseminating and processing applications for coverage, coverage selection forms, or other similar forms in response to a request from a prospective or current policyholder.

(4) Collecting premiums from a prospective or current policyholder on behalf of a limited lines travel insurance entity.

(5) Receiving and recording information from a policyholder to share with a limited lines travel insurance entity.

"Primary policyholder" means an individual person who elects and purchases individual travel insurance.

"Travel administrator" means a person who directly or indirectly underwrites, collects charges, collateral, or premiums from, or adjusts or settles claims on residents of

this State in connection with travel insurance, except that a person shall not be considered a travel administrator if that person's only actions that would otherwise cause the person to be considered a travel administrator are among the following:

(1) a person working for a travel administrator to the extent that the person's activities are subject to the supervision and control of the travel administrator;

(2) an insurance producer selling insurance or engaged in administrative and claims-related activities within the scope of the producer's license;

(3) a travel retailer offering and disseminating travel insurance and registered under the license of a limited lines travel insurance producer in accordance with Section 1635;

(4) an individual adjusting or settling claims in the normal course of that individual's practice or employment as an attorney-at-law and who does not collect charges or premiums in connection with insurance coverage; or

(5) a business entity that is affiliated with a licensed insurer while acting as a travel administrator for the direct and assumed insurance business of an affiliated insurer.

"Travel assistance services" means noninsurance services for which the consumer is not indemnified based on a fortuitous event, and where providing the service does not result in transfer or shifting of risk that would constitute

the business of insurance. "Travel assistance services" include, but are not limited to: security advisories; destination information; vaccination and immunization information services; travel reservation services; entertainment; activity and event planning; translation assistance; emergency messaging; international legal and medical referrals; medical case monitoring; coordination of transportation arrangements; emergency cash transfer assistance; medical prescription replacement assistance; passport and travel document replacement assistance; lost luggage assistance; concierge services; and any other service that is furnished in connection with planned travel. "Travel assistance services" are not insurance and are not related to insurance.

"Travel insurance" means insurance coverage for personal risks incident to planned travel, including, but not limited to:

- (1) the interruption or cancellation of a trip or event;
- (2) the loss of baggage or personal effects;
- (3) damages to accommodations or rental vehicles;
- (4) sickness, accident, disability, or death occurring during travel;
- (5) emergency evacuation;
- (6) repatriation of remains; or
- (7) any other contractual obligations to indemnify or

pay a specified amount to the traveler upon determinable contingencies related to travel as approved by the Director.

"Travel insurance" does not include major medical plans that provide comprehensive medical protection for travelers with trips lasting 6 months or longer, including those working overseas as expatriates or as military personnel on deployment.

"Travel insurance business entity" means a licensed insurance producer designated by an insurer as set forth in subsection (h) of Section 1635.

"Travel protection plans" means plans that provide one or more of the following: travel insurance, travel assistance services, and cancellation fee waivers.

"Travel retailer" means a business organization that makes, arranges, or offers travel services and, with respect to travel insurance, is limited to offering and disseminating as defined in this Section, unless otherwise licensed under subsection (b) of Section 1635.

(215 ILCS 5/1635 new)

Sec. 1635. Licensing and registration.

(a) The Director may issue to a travel insurance business entity that registers travel retailers under its license as described in paragraph (2) of subsection (c) of this Section a producer license as provided in paragraph (6) of subsection

(a) of Section 500-35 of this Code. A travel insurance business entity license issued under this Section shall also authorize any employee of the travel insurance business entity to act individually on behalf and under the supervision of the travel insurance business entity licensee with respect to the coverage specified in this Section. Each travel insurance business entity licensed under this Section shall pay the Department a fee of \$500 for its initial license and \$500 for each renewal license, payable on May 31 annually.

(b) The Director may issue to a travel retailer a limited lines producer license. A travel retailer license issued under this Section shall also authorize any employee of the travel retailer limited line licensee to act individually on behalf and under the supervision of the travel retailer limited line licensee with respect to the coverage specified in this Section.

(c) Notwithstanding any other provision of law, a travel retailer may do the limited activities of offering and disseminating travel insurance on behalf of and under the license of a supervising travel insurance business entity if the following conditions are met:

(1) the travel insurance business entity or travel retailer provides to purchasers of travel insurance:

(A) a description of the material terms or the actual material terms of the insurance coverage;

(B) a description of the process for filing a

claim;

(C) a description of the review or cancellation process for the travel insurance policy; and

(D) the identity and contact information of the insurer and travel insurance business entity;

(2) at the time of licensure, the travel insurance business entity shall establish and maintain a register on a form prescribed by the Director of each travel retailer that offers travel insurance on the travel insurance business entity's behalf; the register shall be maintained and updated continuously by the travel insurance business entity and shall include the name, address, 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 tax identification number; the travel insurance business entity shall submit the register to the Director annually on a form and in a manner approved by the Director; the limited lines producer shall also certify that the travel retailer personnel who are offering and disseminating insurance under the travel retailer's registration complies with 18 U.S.C. 1033;

(3) the travel insurance business entity has designated one of its employees as a licensed individual producer (a designated responsible producer or DRP) responsible for the travel insurance business entity's and

its travel retailer's compliance with the travel insurance laws, rules, and regulations of this State;

(4) the travel insurance business entity has paid all applicable insurance producer licensing fees as set forth in this Code; and

(5) the travel insurance business entity requires each employee and authorized representative of the travel retailer whose duties include offering and disseminating travel insurance to receive a program of instruction or training that shall be subject to review by the Director; the training material shall, at a minimum, contain instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers.

(d) Any travel retailer offering or disseminating travel insurance shall make available to prospective purchasers brochures or other written materials that:

(1) provide the identity and contact information of the insurer and the travel insurance business entity;

(2) explain that the purchase of travel insurance is not required in order to purchase any other product or service from the travel retailer; and

(3) explain that an unlicensed travel retailer is permitted to provide general information about the insurance offered by the travel retailer, including a description of the coverage and price, but is not



qualified or authorized to answer technical questions about the terms and conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the customer's existing insurance coverage.

(e) A travel retailer's employee or authorized representative who is not licensed as an insurance producer may not:

(1) evaluate or interpret the technical terms, benefits, and conditions of the offered travel insurance coverage;

(2) evaluate or provide advice concerning a prospective purchaser's existing insurance coverage; or

(3) hold himself, herself, or itself out as a licensed insurer, licensed producer, or insurance expert.

(f) A travel retailer whose insurance-related activities, and those of its employees and authorized representatives, are limited to offering and disseminating travel insurance on behalf of and under the direction of a travel insurance business entity meeting the conditions stated in this Section is authorized to do so and receive related compensation upon registration by the travel insurance business entity as described in paragraph (2) of subsection (c) of this Section.

(g) Travel insurance may be provided under an individual policy or under a group, blanket, or master policy.

(h) As the insurer designee, the travel insurance business entity is responsible for the acts of the travel retailer that

is registered under its license.

(i) Any entity that violates any provision of this Article shall be subject to all appropriate regulatory action as set forth in this Code.

(j) Any person licensed in a major line of authority as an insurance producer is authorized to sell, solicit, and negotiate travel insurance. A property and casualty insurance producer is not required to become appointed by an insurer in order to sell, solicit, or negotiate travel insurance.

(215 ILCS 5/1640 new)

Sec. 1640. Travel protection plans. Travel protection plans may be offered for one price for the combined features that the travel protection plan offers in this State if:

(1) the travel protection plan clearly discloses to the consumer, at or before the time of purchase, that it includes travel insurance, travel assistance services, and cancellation fee waivers, as applicable, and provides information and an opportunity, at or before the time of purchase, for the consumer to obtain additional information regarding the features and pricing of each;  
and

(2) the fulfillment materials:

(A) describe and delineate the travel insurance, travel assistance services, and cancellation fee waivers in the travel protection plan; and

(B) include the travel insurance disclosures and the contact information for persons providing travel assistance services, and cancellation fee waivers, as applicable.

(215 ILCS 5/1645 new)

Sec. 1645. Sales practices.

(a) All persons offering travel insurance to residents of this State are subject to the Unfair Methods of Competition and Unfair and Deceptive Acts and Practices Article of this Code, except as otherwise provided in this Section. In the event of a conflict between this Article and other provisions of this Code regarding the sale and marketing of travel insurance and travel protection plans, the provisions of this Article shall control.

(b) Offering or selling a travel insurance policy that could never result in payment of any claims for any insured under the policy is an unfair trade practice under Section 424.

(c) Marketing of travel insurance policies shall comply with the following:

(1) All documents provided to consumers before the purchase of travel insurance, including, but not limited to, sales materials, advertising materials, and marketing materials, shall be consistent with the travel insurance policy itself, including, but not limited to, forms,

endorsements, policies, rate filings, and certificates of insurance.

(2) For travel insurance policies or certificates that contain preexisting condition exclusions, information and an opportunity to learn more about the preexisting condition exclusions shall be provided any time prior to the time of purchase, and in the coverage's fulfillment materials.

(3) The fulfillment materials and the information described in subparagraphs (A) through (D) of paragraph (1) of subsection (c) of Section 1635 shall be provided to a policyholder or certificate holder as soon as practicable following the purchase of a travel protection plan. Unless the insured has either started a covered trip or filed a claim under the travel insurance coverage, a policyholder or certificate holder may cancel a policy or certificate for a full refund of the travel protection plan price from the date of purchase of a travel protection plan until at least:

(A) 15 days following the date of delivery of the travel protection plan's fulfillment materials by postal mail; or

(B) 10 days following the date of delivery of the travel protection plan's fulfillment materials by means other than postal mail. For the purposes of this Section, delivery means handing fulfillment materials

to the policyholder or certificate holder or sending fulfillment materials by postal mail or electronic means to the policyholder or certificate holder.

(4) The company shall disclose in the policy documentation and fulfillment materials whether the travel insurance is primary or secondary to other applicable coverage.

(5) Where travel insurance is marketed directly to a consumer through an insurer's website or by others through an aggregator site, it shall not be an unfair trade practice or other violation of law where an accurate summary or short description of coverage is provided on the web page, so long as the consumer has access to the full provisions of the policy through electronic means.

(d) No person offering, soliciting, or negotiating travel insurance or travel protection plans on an individual or group basis may do so by using negative option or opt out, which would require a consumer to take an affirmative action to deselect coverage, such as unchecking a box on an electronic form, when the consumer purchases a trip.

(e) It shall be an unfair trade practice under Section 424 to market blanket travel insurance coverage as free.

(f) Where a consumer's destination jurisdiction requires insurance coverage, it shall not be an unfair trade practice to require that a consumer choose between the following options as a condition of purchasing a trip or travel package:

(1) purchasing the coverage required by the destination jurisdiction through the travel retailer or limited lines travel insurance producer supplying the trip or travel package; or

(2) agreeing to obtain and provide proof of coverage that meets the destination jurisdiction's requirements before departure.

(215 ILCS 5/1650 new)

Sec. 1650. Travel insurance administrators.

(a) Notwithstanding any other provisions of this Code, no entity shall act or represent itself as a travel administrator for travel insurance in this State unless that entity:

(1) is a licensed property and casualty insurance producer in this State for activities permitted under that producer license;

(2) holds a valid managing general agent license in this State; or

(3) holds a valid third-party administrator license in this State.

(b) An insurer is responsible for the acts of a travel administrator administering travel insurance underwritten by the insurer, and is responsible for ensuring that the travel administrator maintains all books and records relevant to the insurer to be made available by the travel administrator to the Director upon request.

(215 ILCS 5/1655 new)

Sec. 1655. Policy.

(a) Notwithstanding any other provision of this Code, travel insurance shall be classified and filed for purposes of rates and forms under an inland marine line of insurance, including travel insurance that provides coverage for sickness, accident, disability, or death occurring during travel, either exclusively, or in conjunction with related coverages of emergency evacuation or repatriation of remains, or incidental limited property and casualty benefits such as baggage or trip cancellation.

(b) Travel insurance may be in the form of an individual, group, master, or blanket policy.

(c) Eligibility and underwriting standards for travel insurance may be developed and provided based on travel protection plans designed for individual or identified marketing or distribution channels, provided those standards also meet this State's underwriting standards for inland marine.

(215 ILCS 5/1660 new)

Sec. 1660. Rules. The Department may adopt rules to implement this Article.

(215 ILCS 5/500-108 rep.)

Public Act 102-0212

SB1588 Enrolled

LRB102 13159 BMS 18502 b

Section 10. The Illinois Insurance Code is amended by repealing Section 500-108.

Section 99. Effective date. This Act takes effect 90 days after becoming law.