



**House
Legislative
Analysis
Section**

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WAIVER FOR TRAVEL AGENTS

**House Bill 4096 as introduced
First Analysis (5-4-95)**

**Sponsor: Rep. Kirk A. Profit
Committee: Insurance**

THE APPARENT PROBLEM:

Public Act 48 of 1994 (House Bill 5226) amended the Insurance Code to waive the insurance agent continuing education requirements for an agent licensed only to write travel or baggage insurance policies whose employment is for a purpose other than a sale of those policies. The code otherwise requires insurance agents to attend 30 hours of continuing education classes or home study every two years to maintain their licenses. This requirement was said to be unnecessary for travel agents who sell travel insurance. This insurance has been described as a pre-packaged product designed by major insurance carriers that is sold for a specific trip and with coverage that has a limited duration. It covers, the industry says, illness, accident, the loss or delay of baggage, and default by travel providers. However, Public Act 48 contained a sunset provision; the continuing education exemption for travel agents applies only until January 1, 1997. Legislation has been introduced to extend the waiver of continuing education requirements indefinitely.

THE CONTENT OF THE BILL:

Public Act 48 of 1994 amended the Insurance Code to waive the insurance agent continuing education requirements for an agent who is licensed only to write travel or baggage insurance policies and whose employment is for a purpose other than a sale of those policies. The act's provisions apply until January 1, 1997. House Bill 4096 would remove the sunset date, thus extending the waiver indefinitely.

MCL 500.1204c

FISCAL IMPLICATIONS:

The bill would have no fiscal impact, according to the House Fiscal Agency. (Fiscal note dated 4-24-95)

ARGUMENTS:

For:

There is no need to require continuing education in insurance for travel agents who sell only travel insurance; thus, there is no need for the sunset on the provision waiving such education requirements.

Continuing education intended for regular property-casualty and life-health insurance agents should not be required of travel agents who obtain insurance licenses solely for the purpose of selling travel insurance in conjunction with their duties as travel agents. This product does not change much and is by itself not of sufficient complexity to require the kind of continuing education classes required of standard insurance agents. Industry officials say companies offering the coverage provide training to travel agents and contact agencies to answer questions and provide advice. The continuing education programs offered to insurance agents would do little to improve knowledge about travel insurance. Granting this waiver will mean consumers will continue to have the opportunity to purchase travel insurance from local travel agents when planning a trip.

POSITIONS:

The American Society of Travel Agents supports the bill. (4-25-95)

Travel Guard International supports the bill. (4-25-95)

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