

February 21, 2017

RE: H.B. No. 7024 *AN ACT REGULATING THE OFFER AND DISSEMINATION OF TRAVEL INSURANCE.*

First, I would like to provide my credentials. I am currently the owner of an insurance agency that specializes in the sale of travel insurance. Prior to establishing this agency, I was the COO and co-founder of Travel Insured International, Inc. which is a national travel insurance general agency and prior to that, I served as Director of the Travel Insurance Division of The Travelers Insurance Company. I have 46+ years of direct experience with this specific form of insurance.

I would like to say that I support the basic premise of H.B. No. 7024 and feel that it is in the best interest for most parties – consumers, travel agents, and regulators. However, I question if the State of Connecticut can or should consider this bill during the current fiscal crisis. Currently there are 778 “Travel only” licenses(resident, non-resident, individual & entity) listed by the State Insurance Department. These are the licenses that will mostly be eliminated by H.B. No. 7024 while being replaced by only a dozen or so MGA’s or Program Managers who will secure the new “Limited Lines travel insurance producer” license. The average annual cost of a “travel only” producers license is \$80 and the cost of a “Limited Lines travel insurance producer” license would be \$650. In addition each insurance company that appoints a licensed producer has to pay a \$50 appointment fee. Most producers are appointed by only one company. The financial outcome could reasonably be forecast as:

Loss of licensing income: 778 current licensees X \$80	= (\$62,240)
Loss of appointment fees: 778 current licensees X \$50	= (\$38,900)
Income from New Licenses: 10 MGA’s or Program Managers X \$650	= +\$ 6,500
Income from appointment fees: 10 MGA’s or Program Managers X \$50	= +\$ 500.
Net loss from H.B. No. 7024	= (\$ 94,140.)

With our State facing a fiscal emergency, the potential loss of almost \$100,000 annually seems to be contrary to our interests.

Thank you for your consideration,

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