

# Insurance and Real Estate Committee

## SENATE FAVORABLE REPORT

**Bill No.:** SB-205

**Title:** AN ACT CONCERNING TRAVEL INSURANCE AND SUICIDE.

**Vote Date:** 3/10/2020

**Vote Action:** Joint Favorable

**PH Date:** 2/27/2020

**File No.:**

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### SPONSORS OF BILL:

Insurance and Real Estate Committee

### REASONS FOR BILL:

This bill will prohibit insurance companies that issue travel insurance policies in this state from excluding coverage because the insured or the insured's spouse, child, dependent relative who resides in the insured's household or traveling companion commits suicide.

### RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

### NATURE AND SOURCES OF SUPPORT:

**Senator Paul Formica, 26<sup>th</sup> District** testified that raising awareness of mental illness and supporting increased treatment and opportunities should be a primary focus for all of us. Suicide has touched too many of our families and our neighbors. This bill would ban the practice of excluding suicide as a reason to deny coverage for travel insurance reimbursement. No one would expect families to try to travel after experiencing such a catastrophic family event. This should be a valid reason to companies to provide coverage for families already devastated by grief and loss.

**Senator Derek Slap, 5<sup>th</sup> District** stated the purpose of travel insurance is to reimburse travelers for the cost of a trip that they must cancel. Nobody wants to cancel a trip that they have planned, but when circumstances arise that prevent a family from travelling, the travel insurance policy exists for the purpose of refunding the travelers' money. Illness and accidental death are covered by travel insurance plans, but suicide is not. Suicide is not a personal failing but rather a result of mental illness. The way that travel insurance policies are addressing suicide is antiquated. It should not be excluded from coverage. It's time we

rethink suicide and mental illness, and CT has an opportunity to lead on this issue. No family plans for a loved one to die by suicide when booking a trip. Insurance companies should not be able to take a family's money when they purchase a travel insurance policy and then deny their claim when a family member dies.

**Robin Brennan** testified stating her son Sean took his life in July 2019. Her family had planned a trip to Europe in September of 2019, she had purchased a travel insurance policy through AIG Travel Guard for the air fare. She was denied due to the cause of death. This exclusion must be removed from all travel policies. Mental illness is a disease like any other. If her son died of cancer, they would have approved the claim.

**John Cook** firmly believes that travel insurance policies that contain trip cancellation/interruption coverage should be prohibited from excluding coverage for trip cancellations or interruptions that are due to suicide of a family member as defined by their policy. I would suggest that the exclusion be limited to the trip cancellation and trip interruption coverages where coverage is provided if a "family member" is injured, sick, or dies causing an insured to cancel their trip. And I recommend to include a prohibition for mental illness being used as an alternative exclusion for trip cancellation or interruption coverages. Currently most policies available in Connecticut contain policy wide exclusions for mental or nervous disorders. One company includes Alzheimer in their exclusion for mental or nervous disorders which is contrary to what the medical community and most travelers consider to be a physical condition.

**Melinda Montovani** stated The Federal Mental Health Parity Act of 2008 requires health insurers to treat mental health conditions and substance abuse disorders the same as physical ailments. Travel insurers should not be held to lower standards. The ICD-10 of the International Statistical Classification of Diseases and Related Health problems is a Medical Classification List by the World Health Organization. Mental health diagnoses are included as they are medical conditions. Every disease, disorder, injury, infection, and symptom has its own ICD-10 code. Travel insurance policies should not be able to pick and choose which medical conditions they deem appropriate to cover in case of death. Additionally, mental illness is a serious medical issue. It is not a moral issue. People do not commit suicide because they choose to, it is because they had a medical condition where the treatment was not effective to manage their symptoms which led to their death. If someone dies from cancer because the chemotherapy did not eradicate the cancer, are they too excluded from the protections of the travel insurance plan? According to the Americans with Disabilities Act (ADA), a disability is defined as any physical or mental impairment that limits a major life activity. Clinical depression and other mental health diagnosis are considered to be a disability under the ADA when it limits a major life activity. Federal law prohibits discrimination against people with disabilities.

**Lisa Wunjum, MD Executive Director CT State Office of National Alliance on Mental Health**

NAMI envisions a world where all people affected in any way by mental health conditions experience the best possible quality of life and where mental health is accepted as an integral part of overall wellbeing. The current business practice is discriminatory, stigmatizing and unfairly biased against family members of people with mental health conditions, whose family members have died by suicide. NAMI supports measures to stop discriminatory insurance practices—regardless of the type of insurance—against people with mental illness

## **NATURE AND SOURCES OF OPPOSITION:**

**Kristina Baldwin, American Property Casualty Insurance Association** SB205 proposes mandating that an insurance company cannot include a suicide exclusion in a travel insurance policy. By its very nature insurance is a product that responds when consumers have experienced tragic events and we empathize with our policyholders in these difficult situations. However, an insurer must manage its risk appetite and entire book of business and they do this through contract language granting coverage and excluding coverage. This is no different with a travel insurance policy. As a general matter we caution against insurance mandates. Insurance mandates can either limit consumer choice or impact the pricing of a policy across the entire book of business. A travel insurance policy is a discretionary policy that includes exclusions for intentional acts. Examples include exclusions for: criminal acts, intoxication, high-risk sport activity, and intentional bodily injury (including suicide). Importantly, consumers have the opportunity when purchasing a travel insurance policy to buy-back coverage for some of these exclusions. Additionally, travel insurance by its very definition offers many types of coverage including, but not limited to, cancellation of a trip, loss of baggage, damage to accommodations or rental vehicles, and sickness or accidents occurring during travel. If you are drafting an exclusion you must think about its impact in its entirety and not just limited situations. Finally, travel insurance is a product that often crosses jurisdictional lines, so legislative uniformity is important.

**Duke de Haas, Director, United States Travel Insurance Association** feels that we believe there's a better way than mandating coverages to make sure that consumers get the products they need – and that they know what they're buying. First, as noted, the travel insurance marketplace is robust and diverse, offering a broad range of products to meet consumer demand. Second, to ensure consumers know what they're buying – and can decide to go elsewhere if they want something else – we have supported requiring additional consumer disclosures, explaining coverage, exclusions, etc. These disclosures are provided for in the NAIC's Travel Insurance Model Act, which we encourage you to enact as soon as possible.

**Reported by: Diane Kubeck**

**Date: April 15, 2020**