

# Insurance and Real Estate Committee

## HOUSE FAVORABLE REPORT

**Bill No.:** HB-5360

AN ACT CONCERNING THE REGULATION AND TAXATION OF TRAVEL  
INSURANCE AND ASSOCIATED ENTITIES, PRODUCTS AND

**Title:** PROFESSIONALS.

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

**Vote Action:** Joint Favorable

**PH Date:** 3/3/2020

**File No.:**

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### SPONSORS OF BILL:

Insurance and Real Estate Committee

### REASONS FOR BILL:

In the State of Connecticut this bill will provide for the regulation and taxation of travel insurance, and associated entities, products and professionals.

### RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

### NATURE AND SOURCES OF SUPPORT:

**John Cook** supports most of H.B. No. 5360 however, there is a definition contained in the bill that I believe will lead to consumer confusion and a blurring of what is considered insurance and what is not. I am specifically referring to the definition of "Cancellation fee waiver" found on line 111 of the bill.

He would suggest changing the definition of "cancellation fee waiver" to limit the meaning to only unconditional reasons. Otherwise I believe that consumers will not be able to differentiate between actual travel insurance underwritten by authorized carriers to something that looks like travel insurance, sounds like travel insurance but is being offered by unlicensed travel suppliers without any regulatory oversight.

**Paul Nunez, American Property and Casualty Insurance Association** supports HB 5360 because it provides clear, predictable, and workable standards for the regulation of the travel insurance market in a manner that protects consumers and promotes the innovation and growth of this beneficial product. Importantly, HB 5360 is modeled after the National

Association of Insurance Commissioner's (NAIC) "Travel Insurance Model Act," which was developed using the National Conference of Insurance Legislators (NCOIL), "Travel Insurance Model Act" as a foundation. Combining the expertise of both regulators and legislators has created a meaningful and robust model that will bring needed clarity and uniformity to the regulation of this product. The bill would specifically address premium tax allocation, travel administrator's responsibilities, market practices and consumer disclosures. In addition to providing clarity in these areas, adopting this bill based on the recently adopted NAIC model will further multistate uniformity in the area of travel insurance which will promote consistency and ease multistate operations.

**John P. Fielding United State Travel Insurance Association** feels this legislation is important because it creates a framework specifically for the regulation of travel insurance. Travel insurance has been regulated forever – it's subject to the insurance code and regulations just like any other line of coverage. But what this bill does is clarify the law and create travel-specific provisions where needed.

this legislation is important to clarify and reform the way travel insurance is regulated here in Connecticut. It has been thoughtfully drafted and thoroughly vetted both nationally and in Connecticut. It will (1) provide legislators and regulators with the authority and information they need for good governance, (2) update regulatory requirements and processes to reflect the way the marketplace operates today, and (3) most importantly, protect consumers.

**NATURE AND SOURCES OF OPPOSITION:**

None Expressed

**Reported by: Diane Kubeck**

**Date: April 6, 2020**