

Insurance and Real Estate Committee JOINT FAVORABLE REPORT

Bill No.: SB-89

Title: AN ACT CONCERNING TRAVEL INSURANCE AND SUICIDE.

Vote Date: 3/22/2021

Vote Action: Joint Favorable Substitute

PH Date: 2/9/2021

File No.:

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SPONSORS OF BILL:

Sen. Derek Slap, 5th Dist.

Sen. Saud Anwar, 3rd Dist.

Rep. Jillian Gilchrest, 18th Dist.

REASONS FOR BILL:

To 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. Previously suicide has not been recognized as a cause of death covered by travel insurance companies.

SUBSTITUTE LANGUAGE:

Language was changed to reflect the start date of the law as October 1, 2021. Language was added to clarify the definition of travel insurance

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

NATURE AND SOURCES OF SUPPORT:

Sen. Derek Slap: Senator Slap testified that suicide is a result of mental illness, not a deliberate action, and should therefore be covered by travel insurance. He countered possible argument by insurance companies by testifying that despite previous arguments about the expense to insurance companies, he has yet to be presented with an estimate of the increased cost, and that the nature of mental illness makes it impractical to expect consumers to take out additional coverage for suicide.

Rep. Jillian Gilchrest: Representative Gilchrest testified that a purchaser of travel insurance should be protected if the insured's spouse, child, dependent relative who resides in the insured's household or traveling companion commits suicide. She states that SB 89 ensures compassion and fairness in the incredibly difficult times that accompany a loved one's suicide.

Robin Brennan, Former Travel Insurance Policy Holder: Mrs. Brennan passionately testified about her experience with travel insurance. Her son unexpectedly committed suicide shortly before a planned trip to Europe. She had purchased travel insurance, but her claim was denied because suicide was not covered under her policy. Mrs. Brennan believes that if her son had died of cancer or diabetes, her claim would have been covered. She states that mental illness is a disease like any other and should be treated as such by travel insurance companies.

Bob and Rose Shea, Connecticut Residents: Mr. and Mrs. Shea testified that if a family spends a significant amount of money on travel insurance to cover unforeseen circumstances, the insurance company should provide coverage for unforeseen circumstances. They also recall that the Insurance committee voted unanimously in favor of a similar bill in the 2020 session.

NATURE AND SOURCES OF OPPOSITION:

Michael Byrne, United States Travel Insurance Association: Mr. Byrne testified that he is in support of the ideas presented in SB 89, pending some language changes. He states that because travel insurance is a discretionary product, meaning it is not required by law, there are no mandated coverages. Mr. Byrne also proposes that legislators enact the Travel Insurance Model Act, which has been enacted in eleven states, and ensures that consumers know what they are buying with their travel insurance policies, and can go elsewhere if they want different coverage.

American Property Casualty Insurance Association: APCIA testified that travel insurance policies traditionally exclude intentional acts, including suicide, and that consumers have the opportunity to buy-back specific coverages for traditionally excluded components. APCIA cautions against insurance mandates in general, but noted they are open to working with legislators to refine the proposed legislation.

John Cook, Insurance Agent: Mr. Cook testified that while he supports the idea proposed by the bill, he opposes the bill as it stands because the language used will have unintended consequences. He proposes that the bill be amended so that suicide coverage is only mandated for "interruption or cancellation of a trip or an event." He further recommends that the language "while sane or insane" be added to prevent travel insurance companies from using exclusions for mental or nervous disorders.

Reported by: Mallory Ferrick

Date: March 30, 2021