



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 630

PRINTERS NO. 1635

PRIME SPONSOR: Reschenthaler

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
General Fund	\$0	See Fiscal Impact
Insurance Regulation & Oversight Fund	\$0	

SUMMARY:

Senate Bill 630 creates a freestanding act to be known as the Travel Insurance Modernization Act. It would take effect in 120 days.

ANALYSIS:

Senate Bill 630 creates the Travel Insurance Modernization Act to reform insurance licensure requirements relating to travel retailers who offer travel insurance coverage.

This legislation authorizes a travel retailer registered under the license of a limited lines travel insurance producer, and each employee or authorized representatives of the travel retailer, to offer and disseminate coverage under a policy of travel insurance to a customer at each location where the travel retailer or authorized representative engages in travel insurance transactions.

At the time of licensure, the limited lines travel insurance producer must establish and maintain a register of each travel retailer in this Commonwealth where travel insurance is offered on the limited lines travel insurance producer's behalf. The register must be maintained and updated annually, and information in the register regarding each travel retailer will be maintained for at least three years following the date the information was entered into the register.

A nonrefundable \$400 fee will be charged for an application or renewal of a limited lines travel insurance license. The Insurance Commissioner may adjust the license fee no more than once annually.

FISCAL IMPACT:

The Insurance Department anticipates enactment of this legislation would result in a loss of revenue due to the reduction in the number of travel licenses being issued. Under current law, the Department receives approximately \$162,000 annually in license and appointment fees. The Department would be able to offset a portion of this lost revenue from the new limited lines travel insurance producer license and any license renewal. However, it is not certain how many limited lines travel insurance producer licenses would be issued. Any revenue loss would be

split evenly between the General Fund and the Insurance Regulation and Oversight Fund (IROF). According to the Governor's Budget for 2018-19, it is estimated the IROF will receive over \$33 million in licenses and fees revenue in the current 2017-18 fiscal year, and in that same year will return over \$1.9 million to the General Fund.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: April 30, 2018

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.