

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 943

**PRINTER'S NO.** 1121

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

September 28, 2023

**PRIME SPONSOR**

Senator Phillips-Hill

**DESCRIPTION**

Senate Bill 943 amends the Travel Insurance Modernization Act to further provide for a comprehensive legal framework for the sale of travel insurance to residents of the Commonwealth.

The Insurance Commissioner may issue limited lines travel insurance producer licenses to individuals or entities upon application. Limited lines travel insurance producers must designate an employee responsible for compliance and shall be subject to fingerprinting applicable to insurance producers.

The bill provides that only a licensed insurance producer shall be able to sell travel insurance through a licensed insurer. An insurance producer licensed in a major line of authority is also authorized to sell travel insurance and a property and casualty insurance producer is not required to become appointed by an insurer.

The bill differentiates between travel insurance and non-insurance services that may be bundled with a travel insurance policy as a "travel protection plan." These non-insurance services are "cancellation fee waivers" which provide coverage for fees incurred when cancelling travel plans and "travel assistance services" which help consumers with a variety of replacement assistance services for travel documents, medical prescriptions, lost luggage and more.

Travel protection plans with combined features may be offered for one price if the plan clearly discloses to the consumer the included services and provides the consumer the opportunity to obtain information prior to purchase regarding the features and itemized pricing. Fulfillment materials shall describe the plan features, contain travel insurance disclosures and list contact information for cancellation fee waivers and travel assistance services. A partial payment made for travel protection plans will be applied in full to the travel insurance premium portion of the price first. Persons offering travel insurance to residents of the Commonwealth shall be subject to the Unfair Insurance Practices Act. Selling a travel insurance policy that could never result in payment of any claims or marketing blanket travel insurance coverage as free are unfair trade practices.

It shall not be an unfair trade practice to market travel insurance direct-to-consumer through an insurer's or aggregator's online website where an accurate summary or

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short description of coverage is provided so long as the consumer has electronic access to the full policy provisions.

If the consumer's destination jurisdiction requires insurance coverage, it shall not be an unfair trade practice to require that a consumer choose between the following as a condition of purchasing a travel package: (1) purchase insurance coverage from the travel retailer or insurance producer supplying the travel package or (2) agree to obtain and provide proof of coverage prior to departure.

Fulfillment materials must be delivered to policyholders as soon as possible following purchase. A full refund must be issued up to at least 15 days following delivery by postal mail or ten days following delivery by other means unless the insured has started a covered trip or filed a claim under the travel insurance policy. Fulfillment materials must disclose if the policy is primary or secondary coverage.

Travel insurance shall be classified and filed for purposes of rates and forms under an inland marine line of insurance. A travel insurance policy that only provides coverage for sickness, accident, disability or death during travel shall be considered and filed as accident and health insurance and will not be subject to inland marine underwriting standards.

The Commissioner may promulgate regulations to implement this act. This act shall take effect in 90 days.

### **FISCAL IMPACT:**

Senate Bill 943 will have no fiscal impact to the Commonwealth. The Insurance Department is able to accommodate the promulgation of regulations and any other administrative functions necessary to implement this act within its existing budget and staffing levels.