



PATRICK TESTIN

STATE SENATOR

DATE: August 17th, 2021

RE: **Testimony on Assembly Bill 491**

TO: The Assembly Committee on Insurance

FROM: Senator Patrick Testin

Thank you Chairman Steffen and committee members for hearing my testimony in support of Assembly Bill 491 (AB 491).

We all know that travel can be a hassle. From trip cancellations to overseas medical emergencies – travel insurance is there to mitigate some of the unexpected difficulties that can arise. Despite its utility, travel insurance is still not easily categorized – and that’s why we’ve introduced AB 491. This is model legislation that’s been approved by the National Association of Insurance Commissioners and has already been implemented in seventeen states. It gives customers protection while providing the travel insurance industry with a workable regulatory structure. It will establish uniform meanings of key terms, clarify permissible sales practices, and prohibit the practice of opt-out sales. It also sets requirements on travel protection plans which offer conveniences that customers desire.

The bill will definitely have an impact here in Wisconsin, as the nation’s leading provider of travel insurance – Travel Guard – is headquartered in Stevens Point. Travel Guard employs more than 1,000 people in the region, and provides insurance to six million travelers annually. They are a family friendly company that has been named one of the “100 Best Companies for Working Mothers” by a national publication. This bill will help to better define the parameters in which they operate, and will enable Travel Guard to continue to make a positive impact on Stevens Point and the State of Wisconsin.

Thank you for taking my testimony and I hope you will join me in supporting AB 491.



Statement of Michael Byrne, on behalf of UStiA

Wisconsin State Assembly, Committee on Insurance

Representative David Steffen, Chairman

Representative Kevin Petersen, Vice-Chair

August 17, 2021

Chairman Steffen, Vice-Chair Petersen, and Members of the Committee—

My name is Michael Byrne and I represent the United States Travel Insurance Association (USTiA). The UStiA's members include insurance carriers, third-party administrators, insurance agencies, and related businesses involved in the development, administration, and marketing of travel insurance and travel assistance products.

Thank you for bringing AB 491 before the Committee on Insurance this afternoon. UStiA is supportive of this piece of legislation, which would amend the Wisconsin Insurance Code with respect to regulating travel insurance. AB 491 is important for travel consumers, regulators, and the industry alike.

Travel insurance is a little different from other lines of insurance like homeowners, auto insurance, or health insurance. It's a so-called "limited line" of insurance that protects against certain kinds of losses while traveling—so you're covered if you lose your luggage, or your trip

gets cancelled, or you get sick while traveling. It's generally offered with non-insurance services like translation services, lost passport assistance, and related services.

This legislation is important because it creates a framework specifically for the regulation of travel insurance—which is generally subject to the insurance code and regulations just like any other line of insurance coverage. These include Section 632.977 of the Wisconsin Statutes which incorporated the NAIC Limited Lines Travel Insurance Model into Wisconsin law in 2013.

By way of background, the legislation is based on substantially identical model acts adopted by the National Council of Insurance Legislators (NCOIL) and the National Association of Insurance Commissioners (NAIC). Adoption of the models at NCOIL and NAIC included a comprehensive review and comment process, along with the general commitment of members of both organizations to support enactment of the model in the states. To date, seventeen (17) other states have already adopted legislation based on these national model acts, and several other states are considering such legislation this session.

Many of the issues addressed in the legislation—relating to travel retailers and establishing clear definitions that apply in the travel insurance industry, for example—are practices and concepts that have been widely accepted by regulators for years. AB 491 codifies those practices and concepts, specifically clarifying them for travel insurance so that regulators and the industry are on the same page. Going forward, the hope is that there will be no confusion as to what is permitted and required under the law.

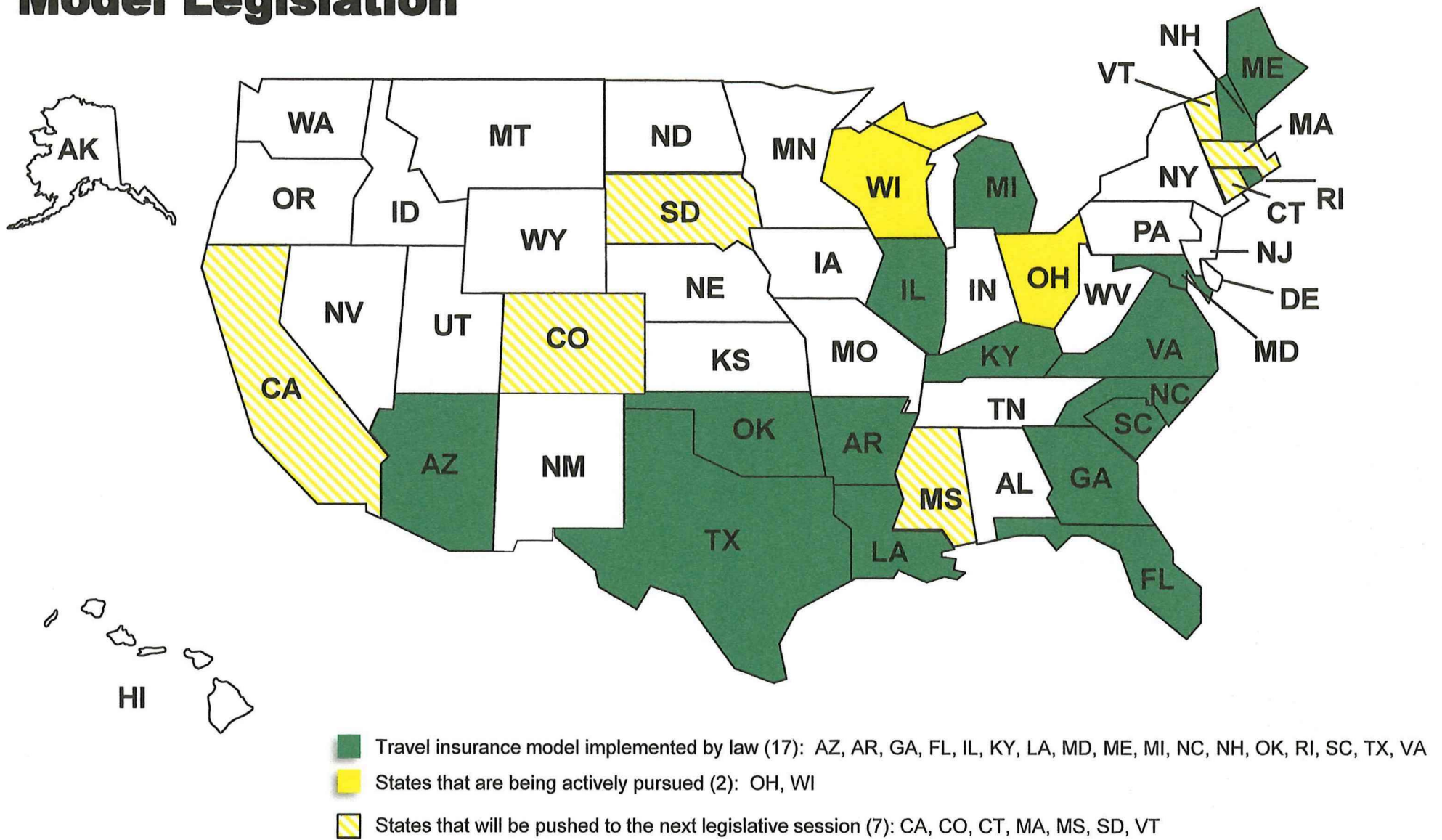
In addition, the legislation addresses other issues as well, such as:

- **Travel administrators’ responsibilities;**
- **Market practices**—like prohibiting opt out sales and codifying a 10- and 15-day “lookback” period for refunds; and
- **Numerous consumer disclosures.**

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

We urge you to approve this important piece of legislation. Thank you again for your time this afternoon. I would be happy to answer any questions the Committee has.

State Implementation of Travel Insurance Model Legislation



As of 7/30/2021