



PATRICK TESTIN

STATE SENATOR

DATE: September 29, 2021

RE: **Testimony on Senate Bill 482**

TO: The Senate Committee on Insurance, Licensing and Forestry

FROM: Senator Patrick Testin

Thank you Chair Felzkowski and committee members for hearing my testimony in support of Senate Bill (SB) 482.

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 SB 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 can join me in supporting SB 482.



SCOTT KRUG

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TO: Members, Senate Committee on Insurance, Licensing and Forestry
FROM: Rep. Scott Krug
RE: Testimony on Senate Bill 482
DATE: September 29, 2021

Thank you Chair Felzkowski and committee members for holding a hearing on Senate Bill 482. I write today in support of the bill.

Travel Guard, the country's top provider of travel insurance is based in our backyard, in Stevens Point. Travel Guard employs over 1,000 individuals in the area with great jobs and opportunities to continue moving our families and communities forward.

Senator Testin and I were asked to do this bill because it will have will have an immediate positive impact in the 72nd Assembly District, the 24th State Senate District, and travelers worldwide.

It is not uncommon for families to encounter unexpected obstacles while traveling, whether it be a medical emergency or cancellation, and over six million travelers annually rely on the insurance provided by Travel Guard to allow them to travel with confidence.

While travel insurance has utility, it is not always as easily accessible as it could be; hence the need for SB 482.

This legislation will provide customers with protection and also enable the insurance industry to operate more effectively on behalf of the customer. This legislation establishes consistent definitions of terms fundamental to the agreement, eliminates gray areas of sales practices and prohibits opt-out sales. Additionally, this legislation offers conveniences to the customer by setting requirements on travel protection plans.

The National Association of Insurance Commissioners has approved this model legislation, which has been enacted in 17 states.

Thank you for taking my testimony and I hope you can join me in supporting SB 482.

A handwritten signature in black ink, appearing to read "Scott Krug". The signature is stylized and cursive.

Scott Krug
State Representative, 72nd Assembly District



Statement of Michael Byrne, on behalf of USTiA
Wisconsin State Senate, Committee on Insurance, Licensing & Forestry
Senator Mary Felzkowski, Chair
Senator Rob Stafsholt, Vice-Chair
September 29, 2021

Chair Felzkowski, Vice-Chair Stafsholt, 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 SB 482 before the Committee on Insurance, Licensing and Forestry today. USTiA is supportive of this legislation, which would amend the Wisconsin Insurance Code to clarify the regulatory framework for travel insurance. SB 482 is important for travel consumers, regulators, and the industry alike. We were extremely pleased the Assembly Committee on Insurance held a hearing on the bill (AB 491) on August 17, 2021, and subsequently recommended it for passage by a unanimous 8-0 vote on September 14, 2021.

Travel insurance is a completely discretionary product, and therefore is 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 become ill 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 already is generally subject to the insurance code and regulations just like any other line of insurance coverage. This includes Section 632.977 of the Wisconsin Statutes which incorporated into Wisconsin law in 2013 the Limited Lines Travel Insurance Model Act from the National Council of Insurance Legislators (NCOIL).

The legislation before you today is based on substantially identical Travel Insurance Model Acts adopted by the National Association of Insurance Commissioners (NAIC) and NCOIL. The NAIC and NCOIL adopted the model acts following a comprehensive review and comment process, and 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 adopted legislation based on these national model acts, and several other states are considering such legislation in their current legislative sessions, with more to follow hopefully in 2022.

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. SB 482 codifies those practices and concepts in the specific context of travel insurance so the legal and compliance requirements are clear for regulators and the industry. Going forward, the hope is that there will be no confusion as to what is permitted and required under the law.

The legislation addresses other issues as well, such as:

- Travel administrator 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 sound regulation; (2) clarify regulatory requirements and processes to reflect the way the marketplace operates; and (3) most importantly, protect consumers.

We urge you to approve this important legislation. Thank you again for your time today. I am happy to answer any questions the Committee has.