

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-4242/1	Introduction Number AB-0491
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Description
 regulating travel insurance

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

OCI 8/17/2021

LRB Number	21-4242/1	Introduction Number	AB-0491	Estimate Type	Original
Description regulating travel insurance					

Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 491 adopts the model travel insurance act that was approved by the National Association of Insurance Commissioners (NAIC) in 2018.

Under current law, the State of Wisconsin through the Office of the Commissioner of Insurance already regulates travel insurance in several ways, including authorizing a limited lines travel insurance producer license to licensees and allowing travel retailers to offer and disseminate travel insurance under a limited lines travel insurance firm license, subject to various requirements imposed on the travel insurance producer and travel retailer.

Assembly Bill 491, maintains these requirements and allows third-party administrators, managing general agents, and those who directly or indirectly underwrite, collect charges or premiums from or adjust or settle claims of Wisconsin residents in connection with travel insurance to apply for a limited lines travel insurance producer license. The bill also regulates travel insurance in the following ways:

- Define travel administrators
- Imposes requirements on travel protection plans
- Proper Disclosure requirements to prospective insurance purchasers
- Clearly defining opt-out provisions for purchasers. (Prohibiting someone offering a travel protection plan to an individual or group to affirmatively deselect coverage).
- Clearly defining unfair marketing practices

At this time, OCI cannot determine the fiscal effect this legislation will have on staff time and agency resources.

Long-Range Fiscal Implications