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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the**  
**House Committee on Consumer Protection & Commerce**  
**Monday, March 18, 2024**  
**2:05 p.m.**  
**State Capitol, Conference Room 329 and via Videoconference**

**On the following measure:**  
**S.B. 2913, S.D.1, H.D.1, RELATING TO TRAVEL INSURANCE**

Chair Nakashima and Members of the Committee:

My name is Gordon Ito, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill is to establish a framework to regulate the sale of travel insurance in the State.

We note that the proposed framework appears to be significantly based on the National Association of Insurance Commissioners' Travel Insurance Model Act.

Thank you for the opportunity to testify.

## TESTIMONY OF ALISON UEOKA

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COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
Representative Mark M. Nakashima, Chair  
Representative Jackson D. Sayama, Vice Chair

Monday, March 18, 2024  
2:05 p.m.

### **SB 2913, SD1, HD1**

Chair Nakashima, Vice Chair Sayama, and members of the Committee on Consumer Protection & Commerce, my name is Alison Ueoka, President of Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **supports** the intent of the bill. A comprehensive, uniform, and national regulatory framework – as provided in the proposed legislation is needed to: (i) clarify the application of current laws to the unique aspects of travel insurance, which is sold on a national basis and is a product that travels with a consumer across state and national boundaries; (ii) benefit consumers by standardizing protections and requirements; (iii) establish a level playing field for the travel insurance market; and (iv) clarify and bolster regulator' enforcement authority over the travel insurance industry.

The legislation is based on the Travel Insurance Model Act adopted by the National Council of Insurance Legislators (NCOIL) and National Association of Insurance Commissioners (NAIC) (the "Model Act"). The Model Act was thoroughly vetted by, and has national support among, legislators, regulators, and meetings, Hawaii voted in favor of enacting the NAIC Travel Insurance Model Act.

As of January 2024, thirty-five (35) states have enacted the Model Act, which is expected to eventually become enacted across the country. A number of other states are considering the Model Act for their current/next legislative session.

Thank you for the opportunity to testify.

**Hawaii Senate Bill 2913 SD1***Hawaii House Committee on Consumer Protection & Commerce**March 17, 2024**Statement of Duke de Haas on behalf of AGA Service Company*

Good morning Members of the House Committee on Tourism,

My name is Duke de Haas, I am Vice President and Deputy General Counsel at AGA Service Company (“Allianz”), and I am also Co-Chair of the United States Travel Insurance Association (“USTiA”) Law and Regulation Committee.

The USTiA’s members include insurance carriers, third-party administrators, insurance agencies, and related businesses in the development, administration, and sale of travel insurance and travel assistance products.

Allianz is a large writer of travel insurance, and it has an insurance company, as well as a fully licensed travel insurance producer authorized to do business in all 50 states, including Hawaii.

Thank you for bringing Senate Bill 2913 SD1 before the Committee today. S.B. 2913 SD1 is important for travel consumers, state insurance regulators and the industry.

S.B. 2913 SD1 contains Model Act language from the National Association of Insurance Commissioners (all the chief insurance regulators in the US), which is essentially identical to a Model Act authored by the National Council of Insurance Legislators (NCOIL).

To date, 35 states have enacted the Model Act, and we are working in another 9 states, including Hawaii, in 2024.

S.B. 2913 SD1, if enacted, would amend the insurance code to clarify the regulatory framework for the sale of travel insurance on a national, uniform basis. The bill standardizes definitions and contains consumer protections, including with respect to sales practices, a free-look period for refunds, and various consumer disclosures.

Allianz, the USTiA and other industry participants support the legislation.

We are not aware of any opposition.

Allianz, the USTiA, and other industry participants, respectfully request two amendments. These two amendments have the effect generally of returning the current version of the legislation to the original version, which tracks more closely with the Travel Insurance Model Act (“Model Act”).

First, on page 23, line 2, delete the word “shall” and insert the word “may” and after the word “under,” insert the word “either.” Also, on page 23, line 3, after the word “insurance,” insert “or an inland marine line of insurance.”

**How can we help?**

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Thus, the language of subsection (a) would read: “Notwithstanding any other provision of this chapter to the contrary, travel insurance shall be classified and filed for purposes of rates and forms under an inland marine line of insurance; provided that travel insurance that provides coverage for sickness, accident, disability, or death occurring during travel, either exclusively or in conjunction with related coverages of emergency evacuation or repatriation of remains may be filed under either an accident and health line of insurance or an inland marine line of insurance.”

These 3 minor changes to the Policy section of the bill simply return the language of § 431: -109 (a) to the language of the Model Act. We appreciate the insurance commissioner’s testimony submitted to the House Committee on Tourism on March 12, 2024, where he references previously existing language about “incidental limited property and casualty” coverage, and our change simply conforms the language in SB 2913 to the Model Act (Section 9(A)).

Secondly, on page 22, after line 7, before line 8, insert a new subsection (b) to read ‘[e]ach travel administrator and its employees shall be exempt from the licensing requirements of section 431:9-201 for any travel insurance that the travel administrator or its employees administer,’ and on page 22, line 8, after inserting new subsection (b), change (b) to (c).

This amendment returns the travel administrator section to its original form in the legislation introduced (SB 2913). If necessary, we are happy to discuss this further with the insurance commissioner, who requested that the travel administrator/adjuster licensing exemption be removed in his testimony of February 7, 2024 before the Senate Committee on Commerce and Consumer Protection. While we understand the insurance commissioner’s testimony, this adjuster licensing exemption simply codifies existing practice as we understand it in Hawaii, which already has a number of exemptions from adjuster licensing for travel insurance-related claims handling, including, but not limited to, (i) producer exemption (H.R.S. § 431:9-227); (ii) MGA exemption (H.R.S. § 431:9C-103(9)); (iii) TPA exemption (H.R.S. § 431:9J-101); (iv) insurance company employee exemption (H.R.S. § 431:9-105(2)(C)); and (v) adjusting marine losses exemption (H.R.S. § 431:9-105(2)(B)).

In short, the amendments will ensure consistency of regulatory treatment of the travel insurance industry while maintaining the strong consumer protections incorporated into the legislation.

We thank you for your time and consideration, and we are happy to answer any questions.

Sincerely,

**Philip R. “Duke” de Haas**

Philip R. “Duke” de Haas  
Vice President, Deputy General Counsel, USA



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March 18, 2024

Hawaii State House of Representatives  
Committee on Consumer Protection & Commerce  
Conference Room 329

Re: S.B. 2913 S.D. 1 H.D. 1, Hawaii Travel Insurance Act

Dear Committee Members:

I am writing on behalf of the U.S. Travel Insurance Association (“UStiA”) in support of S.B. 2913 S.D. 1 H.D. 1—the Hawaii Travel Insurance Act—a comprehensive bill that includes provisions governing how travel insurance is regulated in Hawaii. UStiA is the national association of the travel insurance industry. Its 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.

The American Property Casualty Insurance Association (“APCIA”) is also signing this letter in support of S.B. 2913 S.D. 1 H.D. 1. APCIA is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe.

By enacting legislation that closely tracks the Travel Insurance Model Act, a version of which was approved by the National Council of Insurance Legislators in 2017 and the National Association of Insurance Commissioners in 2018, Hawaii would join a growing number of states—35 and counting—incorporating into their statutes a uniform and workable regulatory regime for travel insurance sales. This important legislation builds upon existing regulatory frameworks and distinguishes between insurance and non-insurance elements of travel protection plans in establishing the proper scope and reach of the regulatory framework.

S.B. 2913 S.D. 1 H.D. 1 has been thoroughly vetted to ensure the legislation that appears before you creates an efficient, effective regulatory framework for travel insurance that benefits consumers, empowers regulators, and ensures the marketplace operates fairly.

UStiA and APCIA also respectfully request that the two amendments detailed in the testimony submitted by Duke de Haas, on behalf of AGA Service Company, be incorporated into the legislation.

S.B. 2913 S.D. 1 H.D. 1  
March 18, 2024  
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For these reasons, UStiA and APCIA support S.B. 2913 S.D. 1 H.D. 1 and urge the Committee to pass the bill and make the requested amendments. Thank you so much for your consideration.

Sincerely,



H. Michael Byrne  
Counsel, UStiA



Mark Sektnan  
Vice President, State Government Relations  
APCIA