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

**Before the  
House Committee on Tourism  
Tuesday, March 12, 2024  
10:30 a.m.**

**State Capitol, Conference Room 423 and via Videoconference**

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

Chair Quinlan 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. We also note that the phrase "incidental limited property and casualty benefits" on page 23, lines 2 to 3 of the bill is vague and not defined in the bill. As such, requiring that there be an option to file a product as accident and health or inland marine if it includes "incidental limited property and casualty" creates a standard that will be unclear and unduly burdensome to implement. Therefore, to avoid confusion over statutory interpretation and to provide clear standards for implementation, we respectfully

suggest amending the language on page 23, lines 2 to 5 as follows: “or repatriation of remains shall be filed under an accident and health line of insurance.”

Thank you for the opportunity to testify.



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Telephone (808) 525-5877

**Alison H. Ueoka**  
President

## TESTIMONY OF ALISON UEOKA

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COMMITTEE ON TOURISM  
Representative Sean Quinlan, Chair  
Representative Natalia Hussey-Burdick, Vice Chair

Tuesday, March 12, 2024  
10:30 a.m.

### **SB 2913, SD1**

Chair Quinlan, Vice Chair Hussey-Burdick, and members of the Committee on Tourism, 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.



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March 11, 2024

Hawaii Senate  
House Tourism Committee

Re: Testimony in Support of S.B. 2913 SD1, Hawaii Travel Insurance Act

Dear Committee Members:

Good afternoon. My name is Caren Alvarado and I am VP of Regulatory Affairs for Crum & Forster, a subsidiary of Fairfax Holdings. My organization has been writing travel insurance for many years and we are therefore very familiar with the unique intricacies of these products and the marketplace. I am also Co-Chair of the Law and Reg Committee for the US Travel Insurance Association (USTiA) that is comprised of a variety of organizations involved in the travel insurance industry.

I would like to thank the members for bringing S.B. 2913 before the Committee today and for allowing interested parties the opportunity to provide testimony in support of the Travel Bill. We are writing in support of the bill as originally drafted and respectfully request the Senate reinsert the adjuster licensing exemption from the introduced version of S.B. 2913 which was deleted following testimony from the Insurance Commissioner of the Department of Commerce and Consumer Affairs' Insurance Division.

This crucial legislation, as originally drafted, builds upon existing regulatory frameworks and further promotes a framework that works for everyone – regulators, consumers, and industry players alike, promoting a clear and level playing field with minimal negative disruption while promoting uniformity throughout the states. Both the industry and consumers will benefit from a nationwide consistent approach for travel protection plans that include insurance and non-insurance components. By incorporating this regulatory framework into your statute, you will ensure clarity and consistency is provided to the way travel insurance products are regulated.

This travel insurance legislation is good for all industry participants because going forward, we will have specific requirements applicable to travel insurance with which all players will have to comply, including new entrants to this growing market. The language before you today has been thoroughly vetted to ensure the legislation creates an efficient, effective regulatory framework for travel insurance that benefits consumers, empowers regulators, and ensures the marketplace operates fairly.

The original version of the legislation is aligned with the model law adopted by adopted by the National Council of Insurance Legislators (NCOIL) and the National Association of Insurance Commissioners (NAIC). Industry worked alongside the NAIC, NCOIL, Insurance Divisions of the various states, and the overall travel community for many years, leading to the NAIC's adoption of the model. We support the bill because it is good for consumers



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and industry participants alike. 35 other states have already enacted legislation based upon these Model Acts and several states are contemplating enacting similar legislation in the coming months.

We respectfully request that you approve this important legislation. On behalf of Crum & Forster, thank you for your consideration of the original version of S.B. 2913 that will ensure the industry and consumers will benefit from a transparent framework for travel insurance as well as for your continued support of our industry.

Please let us know if you have any questions or we can provide any additional information.

Very truly yours,

Caren Alvarado, VP Regulatory Affairs & Compliance  
Crum & Forster A&H Division  
732.676.9819  
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**Hawaii Senate Bill 2913 SD1**

***Hawaii House Committee on Tourism***

***March 11, 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 one amendment, which is to reinsert the adjuster licensing exemption that was included in the original version of S.B. 2913. This language would be reinserted into S.B. 2913 SD1, on page 22, after line 7, and would include the language, “[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.” This amendment is important for the reasons discussed in the USTiA and APCIA’s joint letter, which was also submitted to this Committee. In short,

**How can we help?**

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the amendment 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

Vice President, Deputy General Counsel, USA





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March 12, 2024

Hawaii State House of Representatives  
Committee on Tourism  
Conference Room 423

Re: S.B. 2913 S.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—the Hawaii Travel Insurance Act—a comprehensive bill that includes provisions governing how travel insurance is regulated in Hawaii, with one requested amendment which is set forth in an appendix to this letter. 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. 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 (“NCOIL”) in 2017 and the National Association of Insurance Commissioners (“NAIC”) 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 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.

S.B. 2913 S.D. 1  
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For these reasons, UStiA and APCIA support S.B. 2913 S.D. 1, with one requested amendment, and urge the Committee to pass the bill. Thank you so much for your consideration.

Sincerely,



H. Michael Byrne  
Counsel, UStiA



Mark Sektnan  
Vice President, State Government Relations  
APCIA

## **Appendix**

### **Requested Amendment to S.B. 2913 S.D. 1**

For the reasons below, UStiA and APCIA respectfully request the House reinsert the adjuster licensing exemption from the introduced version of S.B. 2913 which was deleted following testimony from the Insurance Commissioner of the Department of Commerce and Consumer Affairs' Insurance Division ("Department"). *See* Report No. 2596 of Senate Committee on Commerce and Consumer Protection.

The original version of S.B. 2913 closely tracks the Travel Insurance Model Act ("Model Act"), substantially similar versions of which were adopted by the National Council of Insurance Legislators ("NCOIL") and National Association of Insurance Commissioners ("NAIC"). The Model Act is a product of a multi-year effort involving state insurance legislators and regulators and industry stakeholders. Thirty-five (35) states and counting have enacted the Model Act.

Where a state requires independent adjuster licensing, as Hawaii does in Section 431:9-201(a) of H.R.S, the Model Act exempts a travel administrator and its employees that are handling and settling claims from such licensing requirement. This exemption was incorporated into the original version of S.B. 2913, at page 22, lines 8-11.

The Model Act and S.B. 2913 (original and amended) define a travel administrator as "a person who directly or indirectly underwrites; collects charges, collateral, or premiums from; *or adjusts or settles claims on residents of this State*, in connection with travel insurance." (emphasis added). The Model Act and S.B. 2913 authorize a person to act and represent itself as a travel administrator for travel insurance in the State if the person:

- (1) Is a licensed property and casualty insurance producer in the State for activities permitted under the applicable producer license;
- (2) Holds a valid managing general agent license in the State; or
- (3) Holds a valid third-party administrator license in the State.

S.B. 2913, page 21, line 18 to page 22, line 7. Thus, both the Model Act and S.B. 2913 deem any one of the above licenses as appropriate, on its own, for a person to act and represent itself as a travel administrator in Hawaii, including to adjust or settle claims. The provision stricken from the original version of S.B. 2913 in response to the Department's testimony clarifies the concept already reflected in the definition and authority of a travel administrator, and the licenses that permit a person to act as a travel administrator and thus already subject the person to Department oversight.

This approach in the Model Act and S.B. 2913 is consistent with existing Hawaii law. Existing law exempts a licensed producer from the adjuster licensing requirement, unless the producer's compensation

derives primarily from adjusting claims (H.R.S. § 431:9-227).<sup>1</sup> Existing law also authorizes a managing general agent (H.R.S. § 431:9C-103(9)) and third-party administrator (H.R.S. § 431:9J-101) to adjust and settle claims without an adjuster license. In general, every state that has enacted the Model Act and licenses independent adjusters like Hawaii has incorporated the provision that a travel administrator is not required to obtain an adjuster license to handle and settle claims.<sup>2</sup>

Accordingly, we respectfully request that the legislation be amended to reinsert the original language clarifying that a travel administrator and its employees are exempt from the adjuster licensing requirement in H.R.S. § 431:9-201 to align S.B. 2913 S.D. 1 with existing Hawaii law, other provisions of S.B. 2913 S.D. 1, the Model Act and the other states that have enacted the Model Act.

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<sup>1</sup> Adjuster licensing is also not required for an insurance company employee (H.R.S. § 431:9-105(2)(C)) or an individual adjusting marine losses (H.R.S. § 431:9-105(2)(B)).

<sup>2</sup> Of the thirty-five (35) states that have enacted a version of the Model Act, twenty (20) have included the adjuster licensing exemption in the travel administrator section. Of the remaining fifteen (15) states, eleven (11) do not license independent adjusters, and four (4) each had some other exemption from adjuster licensing which rendered the provision of the Model unnecessary.