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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Commerce and Consumer Protection
Wednesday, February 7, 2024
9:40 a.m.

State Capitol, Conference Room 229 and via videoconference

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

Chair Keohokalole 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.

The bill, on p. 7, lines 6-7, includes in the definition of a "limited lines travel insurance producer" a "licensed insurance producer, including a limited lines producer[.]" We respectfully suggest that the definition be clarified to refer to Hawaii Revised Statutes section 431:9A-107.5(a)(1), the statute that already provides for limited lines producer licensing for travel insurance, as follows: "(2) Licensed insurance producer, including a limited lines producer licensed under Hawaii Revised Statutes section 431:9A-107.5(a)(1); or[.]"

The new subsection (b) created on p. 22, lines 8-11, of the bill appears to potentially exempt a travel administrator and its employees from the licensing requirements of Hawaii Revised Statutes section 431:9-201(a), requiring licensing of adjusters. This would potentially allow adjusting by individuals who are not appropriately licensed. Moreover, this new subsection (b) may be construed to conflict with the new subsection (a) created on p. 21, lines 18 to p. 22, line 7. Accordingly, we respectfully request that the new subsection (b) created in on p. 22, lines 8-11 be stricken.

Thank you for the opportunity to testify on the bill.

Hawaii Senate Bill 2913*Hawaii Senate Committee on Commerce and Consumer Protection**February 7, 2024**Statement of Duke de Haas on behalf of AGA Service Company*

Good morning Members of the Senate Committee on Commerce and Consumer Protection,

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 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 before the Committee today. S.B. 2913 is important for travel consumers, state insurance regulators and the industry.

S.B. 2913 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, 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.

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

How can we help?

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TESTIMONY OF ALISON UEOKA

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Wednesday, February 7, 2024
9:40 a.m.

SB 2913

Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee on Commerce and Consumer Protection, my name is Alison Ueoka, President for 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.

HIC **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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February 7, 2024

Hawaii State Senate
Committee on Commerce and Consumer Protection
Conference Room 229

Re: S.B. 2913, Hawaii Travel Insurance Act

Dear Committee Members:

I am writing on behalf of the U.S. Travel Insurance Association (“USTiA”) in support of Senate Bill 2913—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. 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 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.

For these reasons, USTiA and APCIA support S.B. 2913 and urge the Committee to pass the bill. Thank you so much for your consideration.

Sincerely,

H. Michael Byrne
Counsel, USTiA

Mark Sektan
Vice President, State Government Relations
APCIA

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February 7, 2024

Hawaii Senate
Committee on Commerce and Consumer Protection
Conference Room 229

Re: Testimony in Support of S.B. 2913, 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.

This crucial legislation 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.

This 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 and industry participants alike. 36 other states have already enacted legislation based upon these Model Acts and several states are contemplating enacting similar legislation in the coming months.



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We respectfully request that you approve this important legislation. On behalf of Crum & Forster, thank you for your consideration 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
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