

November 28, 2017

House Insurance Committee
Ohio General Assembly
1 Capitol Square
Columbus, OH 43215

Re: Senate Bill No. 169 - An Act to Oversee Sale of Travel Insurance.

Dear Committee Members,

I write today on behalf of the American Society of Travel Agents (ASTA) and the 2,035 people who work at travel agencies in the State of Ohio to express our support for Senate Bill (S.B.) 169, which would add Ohio to the list of 45 jurisdictions (44 states plus the District of Columbia) who have adopted the National Association of Insurance Commissioners (NAIC)/National Conference of Insurance Legislators (NCOIL) model travel insurance standard.

By way of introduction, ASTA is the trade association for travel agents of all shapes and sizes, from the smallest one-person shop to the large travel management companies like American Express and Carlson Wagonlit to the household-name online agencies such as Expedia. In Ohio today, the travel agency industry consists of 355 retail locations that contribute 2,035 full-time jobs and more than \$85M in direct economic impact to the state. These are predominantly small businesses, with 77 percent of them employing fewer than 5 people and 91 percent employing fewer than 10.

Travel agents have been offering travel insurance to their clients for decades, so ASTA and our members have a strong stake in the debate over how states regulate it. There are two primary reasons agents offer insurance to their customers – protection for the consumer and protection for the travel agent.

Travel insurance can protect consumers from substantial financial losses stemming from a variety of situations, including canceled trips, lost baggage, medical emergencies, supplier defaults, as well as other unforeseen circumstances. For travel agents, offering travel insurance to customers, and obtaining a signed waiver from customers who decline travel insurance can protect agents from substantial liability. Most travel industry attorneys recommend that travel agents offer insurance or obtain a signed waiver with every travel sale, as does ASTA.

That's why we support S.B. 169, which seeks to address the current problems and inconsistencies that exist in state regulation of travel insurance. Put simply, until a few years ago

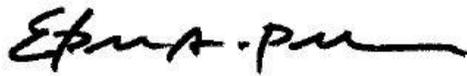
each state had a different system – some treated travel agents as professional insurance agents, complete with fingerprinting and regular licensing, while some had no regulation whatsoever. The red tape and uncertainty involved with travel insurance was driving some travel agents to forgo offering insurance to their clients, something that’s good for neither them nor the consumer. NAIC and NCOIL recognize these problems and have proposed a single standard for state regulation of travel insurance. That standard is embodied in S.B. 169.

We view the proposal as a win-win-win. It’s a win for consumers in that it provides greater transparency by requiring consumers be provided disclosure at the time of purchase. It’s a win for Ohio travel agencies, as they will no longer have the burden of maintaining a Limited Lines Insurance License and, because of reciprocity, will be free to offer travel insurance, without maintaining costly non-resident licenses, to consumers that reside in the jurisdictions that have already adopted the standard. And finally, it’s a win for the State of Ohio, as it strengthens accountability by requiring the Limited Lines Travel Producer to maintain a register of each travel retailer.

We sincerely appreciate your leadership on this issue, and we stand ready to assist in any way necessary in seeing S.B. 169 through to enactment.

Thank you for considering our views on this important issue. If you or your staff have any questions, please do not hesitate to contact me at (703) 739-6842 or epeck@asta.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Eben Peck". The signature is fluid and cursive, with a long horizontal stroke at the end.

Eben Peck
Executive Vice President, Advocacy
American Society of Travel Agents (ASTA)