



Senator Steve Wilson
Senate Bill 256
Sponsor Testimony
Senate Insurance Committee

Chairman Hackett, Vice Chair Romanchuk, and Ranking Member Craig, thank you for the opportunity to testify before you today on Senate Bill 256.

This legislation may seem familiar to you, that is because Senate Bill 256 is in a way a completing the job from a previous bill of mine from the 132nd general assembly, Senate Bill 169. SB 169 did an excellent job by resolving regulatory inconsistencies that faced the travel insurance providers and travel agents by updating the licensing process. Additionally, the bill provided consumer protections by requiring new, clearer accountability and notice provisions with respect to who is responsible for the sale of travel insurance.

Senate Bill 256 however is the next step, consumers require additional protections and the market needs a workable regulatory structure to continue operating successfully. Specifically this legislation:

- Establishes uniform meanings of key terms.
- Allows travel insurance products to continue to be offered. In particular, travel insurance is routinely packaged with non-insurance assistance services (e.g., access to 24/7 help) in Travel Protection Plans, which are sold for one price (and lower than if the products were sold separately). Travel Protection Plans have been sold in the marketplace for years. The proposed legislation clarifies the regulatory framework governing travel insurance, and establishes consumer protections ensuring such plans are fair and reasonable.

- Regulates the travel insurance industry in a forward-looking manner by clarifying permissible sales practices, and the applicability of the state's unfair trade practices law.
- Prohibits the practice of opt-out sales.
- Imposes explicit consumer disclosures in addition to what the state's insurance law otherwise mandates.
- Provides that travel insurance may be sold via individual, group, or blanket policies.
- Specifies how premium taxes are to be calculated.
- Clarifies that in most cases travel insurance must be filed as an inland marine line of insurance.

Establishing this simple yet clear regulatory structure is essential to the continued protection of consumers who buy travel insurance and the growing industry. It is better we establish this framework now through the legislative process than having an unlevel playing field brought onto the industry due to enforcement actions.

Thank you for your time today, and we would be happy to answer any questions from the committee.