

Support HB 1060 Regulation of Travel Insurance

NAIC model legislation provides important consumer protections including transparency and consistency across states when purchasing or accessing a travel insurance policy and provides regulatory certainty for the industry.

Background

The NAIC enacted the comprehensive Travel Insurance Model Act in 2018. As of today, 35 states have enacted a version of the Model Act. Colorado's consumers would benefit from the consumer protections, industry uniformity and regulatory clarity that enacting the Model would bring. Colorado voted for the Model's passage at the NAIC in 2018.

HB 1060 follows the NAIC model legislation to Colorado by updating existing licensing and registration provisions and adds numerous new provisions that provide a number of consumer protections.

Transparency for Consumers

HB 1060 includes numerous disclosures that must be provided or made available to consumers. Key disclosures include:

- Specific statements about what coverages are included in a policy and how a consumer can obtain additional information regarding the features and pricing of each component of the policy;
- Policy documentation and fulfillment materials as to how the travel insurance may work with other insurance;
- Contact information for persons providing travel assistance services and cancellation fee waivers (in addition to contact info for insurance company and producer)

Other Key protections in HB 1060 include:

- Explicitly states that persons offering travel insurance are subject to the state's Unfair Claims Practices Act.
- Provides for a 10 or 15 day "free look" period, during which a consumer can review their policy and, if dissatisfied for any reason, cancel the policy for a full refund.
- Explicitly prohibits the opt out sale of travel insurance.
- Contains additional consumer protections of providing uniform definitions, such as "eligible groups," "cancellation fee waivers," "travel assistance services," and others.
- Codifies how premium taxes are paid for travel insurance.

HB 1060 will provide Colorado consumers with the important protections they need, regulators and the industry with a clear regulatory framework necessary to continue to serve consumers.