

ALASKA STATE LEGISLATURE

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Session: January – April
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CSHB 168 Sponsor Statement

Non-insurance travel retailers (travel agents) that distribute travel products are not in the business of insurance, nor are they considered so by consumers. The non-insurance travel retailer's insurance activity is very limited and makes up a small portion of travel agents overall business.

There are 41 different licensing qualification codes to become licensed for travel insurance across the states. Many states do not accept any, or the same, electronic application. As a result, it commonly takes 6 months to get licensed to sell travel insurance across the U.S. This makes full compliance nearly impossible in an industry that can suffer high turnover.

This legislation seeks to establish a licensing framework that reflects the unique distribution system of travel insurance in the travel industry and appropriately places much of the regulatory burden not on the retail travel agent (who is not, after all, an insurance agent) but on the insurer or managing general agent who develops and distributes the products.

This legislation improves consumer protection by requiring clearer accountability and notice to the consumer and regulator with respect to who is responsible for the sale. It also bridges the gap between widely accepted regulatory practices within the state and the actual state rules.

HB 168, based on NCOIL model legislation, standardizes the definition of travel insurance to promote uniformity in Alaska and across the United States. I urge your support of this legislation.