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**SENATE CS FOR CS FOR HOUSE BILL NO. 302(TRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES HALL, Josephson, Galvin

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to travel insurance; relating to the business of insurance; relating to  
2 exceptions to prohibited rebates; relating to the powers of the director of the division of  
3 insurance; relating to prohibited practices in the advertisement of insurance; and  
4 providing for an effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 \* **Section 1.** AS 21.09.210(p) is amended to read:

7 (p) In this section,

8 (1) "blanket travel insurance" has the meaning given in  
9 AS 21.42.825;

10 (2) "cancellation fee waiver" has the meaning given in  
11 AS 21.42.825;

12 (3) "eligible group" has the meaning given in AS 21.42.825;

13 (4) "group travel insurance" means travel insurance that is issued  
14 to an eligible group;

1                   **(5) "premium tax credit" means an amount that an insurer may use as**  
 2                   **an offset against a premium tax payment;**

3                   **(6) "primary certificate holder" means an individual who elects**  
 4                   **and purchases travel insurance under a group travel insurance policy;**

5                   **(7) "primary policyholder" means an individual who elects and**  
 6                   **purchases travel insurance under an individual policy;**

7                   **(8) "resident" has the meaning given in AS 21.27.990;**

8                   **(9) "travel assistance services" has the meaning given in**  
 9                   **AS 21.42.825;**

10                   **(10) "travel insurance" has the meaning given in AS 21.42.825;**

11                   **(11) "travel insurer" means an insurer who transacts travel**  
 12                   **insurance.**

13 \* **Sec. 2.** AS 21.09.210 is amended by adding new subsections to read:

14                   (q) The provisions of this section apply to travel insurers. Travel insurance  
 15                   premiums will be taxed on insurance premiums paid by

16                   (1) a primary policyholder who is a resident of the state;

17                   (2) a primary certificate holder who is a resident of the state; or

18                   (3) a blanket travel insurance policyholder who is a resident of the  
 19                   state, whose principal place of business is in the state, or whose affiliate or subsidiary  
 20                   having a principal place of business in the state has purchased the policy, subject to  
 21                   any apportionment rules that apply to the insurer across multiple taxing jurisdictions  
 22                   or that allow the insurer to allocate premiums on an apportioned basis in a reasonable  
 23                   and equitable manner in those jurisdictions.

24                   (r) A travel insurer shall

25                   (1) document the state of residence or principal place of business of the  
 26                   policyholder or certificate holder; and

27                   (2) report as premiums the amount allocable to travel insurance and  
 28                   not the amount received for travel assistance services or cancellation fee waivers.

29 \* **Sec. 3.** AS 21.27.150(a) is amended to read:

30                   (a) The director may issue a

31                   (1) travel insurance limited producer license to a person **in accordance**

1 **with AS 21.42.805** [WHO IS APPOINTED UNDER AS 21.27.100 AND WHO  
 2 SELLS TRAVEL INSURANCE; IN THIS PARAGRAPH, "TRAVEL INSURANCE"  
 3 HAS THE MEANING GIVEN IN AS 21.27.152];

4 (2) title insurance limited producer license to a person whose place of  
 5 business is located in this state and whose sole purpose is to be appointed by and act  
 6 on behalf of a title insurer;

7 (3) bail bond limited producer license to a person who is appointed by  
 8 and acts on behalf of a surety insurer pertaining to bail bonds;

9 (4) motor vehicle rental agency limited producer license to a person  
 10 and, subject to the approval of the director, to employees of the person licensed that  
 11 the licensee authorizes to transact the business of insurance on the licensee's behalf if,  
 12 as to an employee, the licensee complies with (D) of this paragraph and if the licensee

13 (A) rents to others, without operators,

14 (i) private passenger motor vehicles, including  
 15 passenger vans, minivans, and sport utility vehicles; or

16 (ii) cargo motor vehicles, including cargo vans, pickup  
 17 trucks, and trucks with a gross vehicle weight of less than 26,000  
 18 pounds that do not require the operator to possess a commercial driver's  
 19 license;

20 (B) rents motor vehicles only to persons under rental  
 21 agreements that do not exceed a term of 90 days;

22 (C) transacts only the following kinds of insurance:

23 (i) motor vehicle liability insurance with respect to  
 24 liability arising out of the use of a vehicle rented from the licensee  
 25 during the term of the rental agreement;

26 (ii) uninsured or underinsured motorist coverage, with  
 27 minimum limits described in AS 21.96.020(c) and (d) arising from the  
 28 use of a vehicle rented from the licensee during the term of the rental  
 29 agreement;

30 (iii) insurance against medical, hospital, surgical, and  
 31 disability benefits to an injured person and funeral and death benefits to

dependents, beneficiaries, or personal representatives of a deceased person if the insurance is issued as incidental coverage with or supplemental to liability insurance and arises out of the use of a vehicle rented from the licensee during the term of the rental agreement;

(iv) personal effects insurance, including loss of use, with respect to damage to or loss of personal property of a person renting the vehicle and other vehicle occupants while that property is being loaded into, transported by, or unloaded from a vehicle rented from the licensee during the term of the rental agreement;

(v) towing and roadside assistance with respect to vehicles rented from the licensee during the term of the rental agreement; and

(vi) other insurance as may be authorized by regulation by the director;

(D) notifies the director in writing, not later than 30 days after employment, of the name, date of birth, social security number, location of employment, and home address of an employee authorized by the licensee to transact insurance on the licensee's behalf; and

(E) provides other information as required by the director;

(5) nonresident limited producer license to a person; a license that the director issues under this paragraph grants the same scope of authority as a limited lines producer license issued to the person by the person's home state;

(6) credit insurance limited producer license to a person who sells limited lines credit insurance;

(7) miscellaneous limited producer license to a person who transacts insurance in this state that restricts the person's authority to less than the total authority for a line of authority described in AS 21.27.115(1) - (6);

(8) portable electronics limited producer license to a vendor that sells or offers portable electronics insurance as defined in AS 21.36.515; the following provisions apply to a license issued under this paragraph:

(A) a vendor shall file with the director a sworn application for

1 a license under this paragraph on a form prescribed and furnished by the  
 2 director; the vendor shall provide the name, residence address, location of the  
 3 vendor's home office, and other information required by the director for an  
 4 employee or officer that is designated by the vendor as the person responsible  
 5 for the vendor's compliance with the requirements of this chapter; however, if  
 6 the vendor derives more than 50 percent of its revenue from the sale of  
 7 portable electronics insurance, the vendor shall provide the information  
 8 required under this subparagraph for all officers, directors, and shareholders of  
 9 record having beneficial ownership of 10 percent or more of any class of  
 10 securities registered under the federal securities law;

11 (B) a portable electronics limited producer license issued under  
 12 this paragraph must authorize the employees or authorized representatives of a  
 13 vendor to transact portable electronics insurance at each location at which a  
 14 vendor offers portable electronics to customers in this state; and

15 (C) the employees or authorized representatives of the vendor  
 16 may transact portable electronics insurance and are not required to obtain a  
 17 limited producer license if

18 (i) the employees or authorized representatives are not  
 19 compensated based primarily on the number of customers enrolled for  
 20 coverage; however, an employee or authorized representative may  
 21 receive compensation for activities under the license that is incidental  
 22 to the employee's or authorized representative's overall compensation;

23 (ii) the insurer issuing the portable electronics insurance  
 24 provides a training program for employees and authorized  
 25 representatives of the portable electronics limited producer licensee that  
 26 includes instruction about the portable electronics insurance offered to  
 27 customers and the disclosures required under AS 21.36.515; and

28 (iii) the vendor maintains a register of each location in  
 29 the state where the vendor offers portable electronics insurance and  
 30 submits the register to the director not later than 30 days after the  
 31 director requests the register;

1 (9) crop insurance limited producer license to a person who sells or  
 2 offers crop insurance coverage for damage to crops from unfavorable weather  
 3 conditions, fire or lightning, flood, hail, insect infestation, disease, or other yield-  
 4 reducing conditions or perils provided by the private insurance market or that is  
 5 subsidized by the Federal Crop Insurance Corporation, including multi-peril crop  
 6 insurance.

7 \* **Sec. 4.** AS 21.36.010 is amended to read:

8 **Sec. 21.36.010. Purpose.** The purpose of this chapter is to regulate an act or a  
 9 trade practice in the business of insurance in accordance with the intent of Congress as  
 10 expressed in 15 U.S.C. 1011 - 1015 (McCarran-Ferguson Act) and P.L. 106-102  
 11 (Gramm-Leach-Bliley Act) by defining or providing for determination of all the  
 12 practices in this state that constitute an unfair method of competition or an unfair or  
 13 deceptive act or practice and by prohibiting them.

14 \* **Sec. 5.** AS 21.36.110 is amended to read:

15 **Sec. 21.36.110. Exceptions to discrimination and rebates.** Nothing in  
 16 AS 21.36.090, 21.36.100, and AS 21.54.100 may be construed as including within the  
 17 definition of discrimination or rebates any of the following practices:

18 (1) in the case of a contract of life insurance or life annuity, paying  
 19 bonuses to policyholders or otherwise abating their premiums in whole or in part out  
 20 of surplus accumulated from nonparticipating insurance, if the bonuses or abatement  
 21 of premiums is fair and equitable to policyholders and for the best interests of the  
 22 insurer;

23 (2) in the case of a life insurance policy issued on industrial debit,  
 24 preauthorized check, bank draft, or similar plans, making allowance to policyholders  
 25 who have made premium payments directly to an office of the insurer or by  
 26 preauthorized debit, check, bank draft, or similar plan, in an amount that fairly  
 27 represents the saving in collection expense;

28 (3) readjustment of the rate of premium for a group insurance policy  
 29 based on the loss or expense experience thereunder, at the end of the first or a  
 30 subsequent policy year of insurance thereunder, which may be made retroactive only  
 31 for that policy year;

1 (4) issuance of life or health insurance policies or annuity contracts at  
 2 rates less than the usual rates of premiums for the policies or contracts, or modification  
 3 of premium or rate based on amount of insurance; but the issuance or modification  
 4 may not result in reduction in premium or rate in excess of savings in administration  
 5 and issuance expenses reasonably attributable to the policies or contracts;

6 (5) a reward under a wellness program established under a health care  
 7 plan that favors an individual if the wellness program meets the following  
 8 requirements:

9 (A) the wellness program is reasonably designed to promote  
 10 health or prevent disease;

11 (B) an individual has an opportunity to qualify for the reward at  
 12 least once a year;

13 (C) the reward is available for all similarly situated individuals;

14 (D) the wellness program has alternative standards for  
 15 individuals who are unable to obtain the reward because of a health factor;

16 (E) alternative standards are available for an individual who is  
 17 unable to participate in a reward program because of a health condition;

18 (F) the insurer provides information explaining the standard for  
 19 achieving the reward and discloses the alternative standards; and

20 (G) the total rewards for all wellness programs under the health  
 21 insurance policy do not exceed 20 percent of the cost of coverage;

22 **(6) the offer or provision by an insurer or insurance producer,**  
 23 **including by or through an employee, affiliate, or third-party representative, of a**  
 24 **value-added product or service at no cost or reduced cost when that product or**  
 25 **service is not specified in the policy of insurance and the product or service**

26 **(A) is offered in accordance with (b) of this section;**

27 **(B) relates to the insurance coverage; and**

28 **(C) is primarily designed to**

29 **(i) provide loss mitigation or loss control;**

30 **(ii) reduce claim costs or claim settlement costs;**

31 **(iii) provide education about liability risks or risk of**

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- loss to persons or property;**
- (iv) monitor or assess risk, identify sources of risk, or develop strategies for eliminating or reducing risk;**
- (v) enhance health;**
- (vi) enhance financial wellness by providing education or financial planning services;**
- (vii) provide post-loss services;**
- (viii) incentivize behavioral changes to improve the health or reduce the risk of death or disability of a policyholder, potential policyholder, certificate holder, potential certificate holder, insured, potential insured, or applicant; or**
- (ix) assist in the administration of the employee or retiree benefit insurance coverage;**
- (7) the provision of an offer, gift, item, or service provided in accordance with (d) of this section.**

\* **Sec. 6.** AS 21.36.110 is amended by adding new subsections to read:

(b) Except as provided in (c) of this section, an insurer or insurance producer offering a value-added product or service in accordance with (a)(6) of this section shall ensure that

(1) the cost to the insurer or producer of offering the product or service to a customer is reasonable relative to that customer's premium or insurance coverage for the policy class, the aggregate cost of a value-added product or service offered under this subsection does not exceed the amount established in regulation by the division, and that a value-added product or service is not offered solely to an individual negotiating or procuring a group or association policy on behalf of others;

(2) if the insurer or producer is providing the product or service offered, the customer is provided with information for whom to contact to assist the customer with questions regarding the product or service; and

(3) the product or service is made available based on documented, objective criteria and offered in a manner that is not unfairly discriminatory; documented criteria described in this paragraph must be maintained by the insurer or

1 producer and provided to the director upon request.

2 (c) If an insurer or insurance producer does not have sufficient evidence but  
3 has a good faith belief that a value-added product or service meets the criteria in  
4 (a)(6)(C) of this section, the insurer or producer may provide the product or service in  
5 a manner that is not unfairly discriminatory as part of a pilot or testing program for a  
6 period of not more than three years. An insurer or producer offering a product or  
7 service to consumers in the state as part of a pilot or testing program under this  
8 subsection shall notify the director before launching the program and may proceed  
9 with the program if the director does not object within 21 days after receiving the  
10 notice.

11 (d) An insurer or insurance producer may

12 (1) offer or give noncash gifts, items, or services to, including  
13 provision of meals to or charitable donations made on behalf of, a customer in  
14 connection with the marketing, sale, purchase, or retention of a contract of insurance if

15 (A) the offer is made in a manner that is not unfairly  
16 discriminatory;

17 (B) the customer is not required to purchase, continue to  
18 purchase, or renew a policy in exchange for the noncash gift, item, or service;  
19 and

20 (C) the cost of the noncash gift, item, or service does not  
21 exceed an amount determined by the director to be reasonable for each term of  
22 a policy year;

23 (2) offer or give noncash gifts, items, or services to, including  
24 provision of meals to or charitable donations made on behalf of, a commercial or  
25 institutional customer in connection with the marketing, sale, purchase, or retention of  
26 a contract of insurance if

27 (A) the offer is made in a manner that is not unfairly  
28 discriminatory;

29 (B) the customer is not required to purchase, continue to  
30 purchase, or renew a policy in exchange for the noncash gift, item, or service;

31 (C) the cost of the noncash gift, item, or service is reasonable

1 relative to the premium or proposed premium; and

2 (D) the cost of the noncash gift, item, or service is not included  
3 in any amounts charged to another person or entity;

4 (3) conduct a raffle or drawing to the extent permitted by state law if

5 (A) there is no financial cost to entrants to participate;

6 (B) the raffle or drawing does not obligate participants to  
7 purchase insurance;

8 (C) the prizes are not valued in excess of a reasonable amount  
9 determined by the director;

10 (D) the raffle or drawing is open to the public;

11 (E) the raffle or drawing is offered in a manner that is not  
12 unfairly discriminatory; and

13 (F) a participant is not required to purchase, continue to  
14 purchase, or renew a policy in exchange for participation in the raffle or  
15 drawing.

16 (e) The director may adopt regulations to implement this section.

17 \* **Sec. 7.** AS 21.36 is amended by adding a new section to read:

18 **Sec. 21.36.115. Prohibited advertising practices.** An insurer, insurance  
19 producer, or representative of an insurer or producer may not

20 (1) offer or provide insurance as an incentive for purchasing another  
21 policy; or

22 (2) use in an advertisement the words "free," "no cost," or similar  
23 language that suggests that the insurance coverage is free or provided at no cost to the  
24 consumer.

25 \* **Sec. 8.** AS 21.36.120(a) is amended to read:

26 (a) A property, casualty, or surety insurer or its employee or representative [,]  
27 or **an insurance producer** [AN AGENT, OR SOLICITOR] may not pay, allow, give,  
28 or offer to pay, allow, or give, directly or indirectly, as an inducement to insurance or  
29 after insurance has been effected, a rebate, discount, abatement, credit, or reduction of  
30 the premium named in the policy of insurance, or a special favor or advantage in the  
31 dividends or other benefits to accrue thereon, or any valuable consideration or

1 inducement, not specified in the policy, except to the extent provided for in an  
2 applicable filing with the director as provided by law.

3 \* **Sec. 9.** AS 21.42 is amended by adding new sections to read:

4 **Article 4. Travel Insurance.**

5 **Sec. 21.42.800. Travel insurance classification and filing.** (a) Travel  
6 insurance may be provided under an individual policy or under a group or blanket  
7 policy.

8 (b) Eligible groups may purchase group and blanket policies. Eligible groups  
9 include

10 (1) a tour operator, lodging provider, vacation property owner, hotel,  
11 resort, travel club, travel agency, property manager, cultural exchange program,  
12 airline, cruise line, railroad, steamship company, public bus carrier, or other common  
13 carrier; the operator, owner, or lessor of a means of transportation of passengers; or  
14 another entity engaged in the business of providing travel or travel services; for groups  
15 listed in this paragraph, all members or customers of the group must have a common  
16 exposure to risk associated with the travel;

17 (2) a college, school, or other institution of learning, covering students,  
18 teachers, employees, or volunteers;

19 (3) an employer covering any group of employees, volunteers,  
20 contractors, board of directors, dependents, or guests;

21 (4) a sports team, camp, or sponsor of a sports team or camp, covering  
22 participants, members, campers, employees, officials, supervisors, or volunteers;

23 (5) a religious, charitable, recreational, educational, or civic  
24 organization, or a branch of a religious, charitable, recreational, educational, or civic  
25 organization, covering any group of members, participants, or volunteers;

26 (6) a financial institution or financial institution vendor, parent holding  
27 company, trustee, agent, or designee of a financial institution or financial institution  
28 vendor, account holder, credit card holder, debtor, guarantor, or purchaser;

29 (7) an incorporated or unincorporated association having a common  
30 interest, constitution, and bylaws and organized and maintained in good faith for  
31 purposes other than obtaining insurance for members or participants of the association

1 covering its members;

2 (8) a labor union;

3 (9) a trust or the trustees of a fund established, created, or maintained  
4 for the benefit of and covering members, employees, or customers, subject to the  
5 director's approval of the use of a trust and the state's premium tax provisions in  
6 AS 21.09.210 for one or more associations that meet the requirements of (7) or (8) of  
7 this subsection;

8 (10) an entertainment production company covering a group of  
9 participants, volunteers, audience members, contestants, or workers;

10 (11) a volunteer fire department, ambulance, rescue, police  
11 department, court, or any first aid, civil defense, or other volunteer group;

12 (12) a preschool, daycare institution for children or adults, or senior  
13 citizen club;

14 (13) a common carrier, operator, owner or lessor of a means of  
15 transportation, or automobile or truck rental or leasing company covering a group of  
16 individuals who may become renters, lessees, or passengers defined by their travel  
17 status on the rented or leased vehicle; the common carrier, operator, owner or lessor of  
18 a means of transportation, or automobile or truck rental or leasing company is the  
19 policyholder under a policy to which this subsection applies; and

20 (14) any other group the director determines is engaged in a common  
21 enterprise or has an economic, educational, or social affinity or relationship, and for  
22 which issuance of the policy would not be contrary to the public interest.

23 (c) Travel insurance is classified and filed for purposes of rates and forms  
24 under the inland marine line of insurance.

25 (d) Eligibility and underwriting standards for travel insurance may be  
26 developed and provided based on travel protection plans that are designed for  
27 individual or identified marketing or distribution channels if those standards also meet  
28 the underwriting standards for inland marine lines of insurance in the state.

29 **Sec. 21.42.805. Travel insurance limited producers and travel retailers. (a)**

30 The director may issue a travel insurance limited producer license to an individual or  
31 business entity that has filed with the director an application in a form and manner

1 prescribed by the director. A travel insurance limited producer shall be licensed to sell,  
2 solicit, or negotiate travel insurance through a licensed insurer. A person may act as a  
3 travel insurance limited producer only if the person is licensed under this subsection.

4 (b) A travel retailer may offer and disseminate travel insurance to its  
5 customers on behalf of and under the direction of a travel insurance limited producer.  
6 A person may act as a travel retailer only if the person is a business entity that is  
7 included in the register maintained by the travel insurance limited producer under  
8 (e)(1) of this section.

9 (c) A travel retailer's employee or authorized representative who is not a travel  
10 insurance limited producer may not

11 (1) evaluate or interpret the material terms, benefits, and conditions of  
12 the offered travel insurance coverage;

13 (2) evaluate or provide advice concerning a prospective purchaser's  
14 existing insurance coverage; or

15 (3) represent that the employee or authorized representative is a  
16 licensed insurer, licensed producer, or insurance expert.

17 (d) A travel insurance limited producer or travel retailer shall provide to a  
18 purchaser of travel insurance

19 (1) a description of the material terms of the insurance coverage;

20 (2) a description of the claims process;

21 (3) a description of the review and return or cancellation process; and

22 (4) the identity and contact information for the insurer and the travel  
23 insurance limited producer.

24 (e) A travel insurance limited producer shall

25 (1) maintain, in a format prescribed by the director, a register of each  
26 travel retailer that offers travel insurance on behalf of and under the direction of the  
27 producer and make the register available to the director upon request; the register must  
28 include

29 (A) the name, address, and contact information of each travel  
30 retailer;

31 (B) the name, address, and contact information of each officer

1 or person who directs or controls the travel retailer's operations; and

2 (C) the federal employment identification number of the travel  
3 retailer;

4 (2) certify that each travel retailer that offers travel insurance on behalf  
5 of and under the direction of the producer complies with 18 U.S.C. 1033;

6 (3) require each employee and authorized representative of a travel  
7 retailer that offers travel insurance on behalf of and under the direction of the producer  
8 whose duties include offering and disseminating travel insurance to receive a training  
9 or instruction program that, at a minimum, contains adequate instruction on the type of  
10 insurance offered, ethical sales practices, and the disclosures that must be provided to  
11 its prospective customers; the training program is subject to review and approval by  
12 the director;

13 (4) designate one of its employees as the person responsible for the  
14 producer's compliance with applicable travel insurance laws and regulations; the  
15 employee must be an individual who is licensed as an insurance producer; and

16 (5) pay all applicable licensing fees required under this title.

17 (f) A person designated under (e)(4) of this section and the president,  
18 secretary, treasurer, and any other officer or person who directs or controls the travel  
19 insurance limited producer's insurance operations shall comply with the fingerprinting  
20 requirements applicable to insurance producers in the resident state of the travel  
21 insurance limited producer.

22 (g) A travel insurance limited producer is liable for the acts of a travel retailer  
23 transacting travel insurance on behalf of and under the direction of the producer and  
24 shall use reasonable means to ensure the travel retailer's compliance with applicable  
25 travel insurance laws and regulations.

26 (h) A travel retailer offering or disseminating travel insurance shall make  
27 available to a prospective purchaser brochures or other written materials that

28 (1) provide the identity and contact information of the insurer and the  
29 travel insurance limited producer;

30 (2) explain that the purchase of travel insurance is not required in order  
31 to purchase any other product or service from the travel retailer; and

1 (3) state that a person transacting travel insurance may provide general  
2 information about the insurance offered, including a description of the coverage and  
3 price, but is not qualified or authorized to answer questions about the terms and  
4 conditions of the insurance offered or to evaluate the adequacy of the customer's  
5 insurance coverage.

6 (i) A travel retailer whose insurance-related activities, and those of the travel  
7 retailer's employees and authorized representatives, are limited to offering and  
8 disseminating travel insurance under this section may receive related compensation  
9 upon registration under (e)(1) of this section.

10 (j) The requirements of AS 21.42.800 - 21.42.825 apply to travel insurance  
11 that covers a resident of the state and that is sold, solicited, negotiated, or offered in  
12 the state, and to policies and certificates that are delivered or issued for delivery in the  
13 state. AS 21.42.800 - 21.42.825 do not apply to cancellation fee waivers or travel  
14 assistance services except as expressly provided in AS 21.42.800 - 21.42.825. All  
15 other applicable provisions of the insurance laws of the state continue to apply to  
16 travel insurance except that the specific provisions of AS 21.42.800 - 21.42.825  
17 supersede any general provisions of law that would otherwise be applicable to travel  
18 insurance.

19 (k) Any person licensed as an insurance producer for a line of authority  
20 described in AS 21.27.115(1) - (6) may sell, solicit, and negotiate travel insurance. A  
21 property and casualty insurance producer is not required to be appointed by an insurer  
22 in order to sell, solicit, or negotiate travel insurance.

23 **Sec. 21.42.810. Travel protection plans.** (a) A travel protection plan may be  
24 offered in the state for one price if

25 (1) the travel protection plan clearly discloses to the consumer, at or  
26 before the time of purchase, that the plan includes travel insurance, travel assistance  
27 services, and cancellation fee waivers, as applicable, and provides information and an  
28 opportunity, at or before the time of purchase, for the consumer to obtain additional  
29 information regarding the features and pricing of each feature; and

30 (2) the fulfillment materials

31 (A) describe and delineate the travel insurance, travel

1 assistance services, and cancellation fee waivers in the travel protection plan;  
2 and

3 (B) include the travel insurance disclosures and the contact  
4 information for persons providing travel assistance services and cancellation  
5 fee waivers, as applicable.

6 (b) Travel assistance services provided under a travel protection plan may  
7 include security advisories, destination information, vaccination and immunization  
8 information services, travel reservation services, entertainment, activity and event  
9 planning, translation assistance, emergency messaging, international legal and medical  
10 referrals, medical case monitoring, coordination of transportation arrangements,  
11 emergency cash transfer assistance, medical prescription replacement assistance,  
12 passport and travel document replacement assistance, lost luggage assistance,  
13 concierge services, and any other service that is furnished in connection with planned  
14 travel. Travel assistance services are not insurance and not related to insurance.

15 **Sec. 21.42.815. Sales practices.** (a) A person offering travel insurance to  
16 residents of the state is subject to the unfair trade practices and fraud provisions under  
17 AS 21.36, except as otherwise provided in AS 21.42.800 - 21.42.825. If a conflict  
18 occurs between AS 21.42.800 - 21.42.825 and another provision of this title relating to  
19 the sale and marketing of travel insurance and travel protection plans, AS 21.42.800 -  
20 21.42.825 control.

21 (b) Offering or selling a travel insurance policy that could never result in  
22 payment of a claim for a person insured under the policy is an unfair trade practice  
23 under AS 21.36. Notwithstanding (a) of this section, nothing in this subsection limits  
24 the director's authority under AS 21.42.130.

25 (c) All documents provided to consumers before the purchase of travel  
26 insurance, including sales, advertising, and marketing materials, must be consistent  
27 with the travel insurance policy itself, including forms, endorsements, policies, rate  
28 filings, and certificates of insurance.

29 (d) If a travel insurance policy or certificate contains preexisting condition  
30 exclusions, the person offering the policy shall provide to the consumer, before the  
31 time of purchase and in the fulfillment materials for the coverage, information and an

1 opportunity to learn more about the preexisting condition exclusions.

2 (e) A person offering a travel insurance policy shall provide to the  
3 policyholder or certificate holder fulfillment materials and the information described  
4 in AS 21.42.805(d) as soon as practicable following the purchase of a travel protection  
5 plan. Unless the insured has either started a covered trip or filed a claim under the  
6 travel insurance coverage, a policyholder or certificate holder may cancel a policy or  
7 certificate for a full refund of the travel protection plan price from the date of purchase  
8 of the travel protection plan until at least

9 (1) 15 days after the date of delivery of the fulfillment materials for the  
10 travel protection plan if the materials were delivered by mail; the fulfillment materials  
11 are considered delivered under this paragraph when sent to the policyholder or  
12 certificate holder; or

13 (2) 10 days after the date of delivery of the fulfillment materials for the  
14 travel protection plan if the materials were delivered

15 (A) in person; the fulfillment materials are considered delivered  
16 under this subparagraph when physically handed to the policyholder or  
17 certificate holder; or

18 (B) electronically; the fulfillment materials are considered  
19 delivered under this subparagraph when sent to the policyholder or certificate  
20 holder.

21 (f) The policy documentation and fulfillment materials must disclose whether  
22 the travel insurance is primary or secondary to other applicable coverage.

23 (g) If travel insurance is marketed directly to a consumer either by an insurer's  
24 Internet website or by an aggregator website, it is not an unfair trade practice or other  
25 violation of law if an accurate summary or short description of the coverage is  
26 provided on the website and the consumer has access to the full provisions of the  
27 policy through electronic means. In this subsection, "aggregator website" means a  
28 website that provides access to information relating to insurance products from more  
29 than one insurer, including product and insurer information, for use in comparison  
30 shopping.

31 (h) A person may not offer, solicit, or negotiate travel insurance or travel

1 protection plans on an individual or group basis by using a negative or opt-out option  
2 that requires a consumer to take an affirmative action to deselect coverage, including  
3 unchecking a box on an electronic form, when the consumer purchases a trip.

4 (i) It is an unfair trade practice subject to penalty under AS 21.36 to market  
5 blanket travel insurance coverage as free.

6 (j) If a consumer's destination jurisdiction requires insurance coverage, it is  
7 not an unfair trade practice under AS 21.36 to require that a consumer choose between  
8 the following options as a condition of purchasing a trip or travel package:

9 (1) purchasing the coverage required by the destination jurisdiction  
10 through the travel retailer or travel insurance limited producer supplying the trip or  
11 travel package; or

12 (2) agreeing to obtain and provide before departure proof of coverage  
13 that meets the requirements of the destination jurisdiction.

14 **Sec. 21.42.820. Travel administrators.** (a) Notwithstanding any other  
15 provision of this title, a person may not act or represent itself as a travel administrator  
16 for travel insurance in the state unless the person

17 (1) is a licensed property and casualty insurance producer in the state  
18 for activities permitted under that producer license;

19 (2) holds a valid managing general agent license in the state; or

20 (3) holds a valid third-party administrator license in the state.

21 (b) A travel administrator and the employees of the travel administrator are  
22 exempt from the licensing requirements applicable to adjusters under this title for the  
23 purposes of administering travel insurance.

24 (c) An insurer is liable for the acts of a travel administrator administering  
25 travel insurance underwritten by the insurer and shall ensure that the travel  
26 administrator maintains all books and records relevant to the insurer. The travel  
27 administrator shall make the books and records available to the director upon request.

28 **Sec. 21.42.825. Definitions.** In AS 21.42.800 - 21.42.825,

29 (1) "blanket travel insurance" means a policy of travel insurance that is  
30 issued to any eligible group and that provides coverage for specific classes of persons  
31 defined in the policy with coverage provided to all members of the eligible group

1 without a separate charge to individual members of the eligible group;

2 (2) "cancellation fee waiver"

3 (A) means a contractual agreement between a supplier of travel  
4 services and its customer to waive some or all of the nonrefundable  
5 cancellation fee provisions of the supplier's underlying travel contract with or  
6 without regard to the reason for the cancellation or form of reimbursement; and

7 (B) does not mean insurance;

8 (3) "eligible group" means two or more persons who are engaged in a  
9 common enterprise or have an economic, educational, or social affinity or relationship;

10 (4) "fulfillment materials" means documentation that is sent to the  
11 purchaser of a travel protection plan and that confirms the purchase and provides  
12 coverage and assistance details of the travel protection plan;

13 (5) "offering and disseminating" means providing general information,  
14 including a description of the coverage and price, as well as processing the application  
15 and collecting premiums;

16 (6) "travel administrator" means a person who, directly or indirectly,  
17 underwrites, collects charges, collateral, or premiums from residents of this state, or  
18 adjusts or settles claims in connection with travel insurance; a person may not be  
19 considered a travel administrator if the person's only actions that would otherwise  
20 cause the person to be considered a travel administrator are among the following:

21 (A) a person working for a travel administrator to the extent  
22 that the person's activities are subject to the supervision and control of the  
23 travel administrator;

24 (B) an insurance producer selling insurance or engaged in  
25 administrative and claims-related activities within the scope of the producer's  
26 license;

27 (C) a travel retailer offering and disseminating travel insurance  
28 that is registered under the license of a limited lines travel insurance producer  
29 in accordance with AS 21.42.800 - 21.42.825;

30 (D) a person adjusting or settling claims in the normal course  
31 of that person's practice or employment as an attorney who does not collect

1 charges or premiums in connection with insurance coverage; or

2 (E) a business entity that is affiliated with a licensed insurer  
3 while acting as a travel administrator for the direct and assumed insurance  
4 business of the affiliated insurer;

5 (7) "travel assistance services" means noninsurance services for which  
6 the consumer is not indemnified based on a fortuitous event and for which provision  
7 of the service does not result in transfer or shifting of risk that would constitute the  
8 business of insurance;

9 (8) "travel insurance"

10 (A) means insurance coverage for personal risks incident to  
11 planned travel, including

12 (i) trip or event interruption or cancellation;

13 (ii) lost baggage or personal effects;

14 (iii) damage to accommodations or a rental vehicle;

15 (iv) sickness, an accident, disability, or death occurring

16 during travel;

17 (v) emergency evacuation;

18 (vi) repatriation of remains; or

19 (vii) any other contractual obligation to indemnify or  
20 pay a specified amount to a traveler upon determinable contingencies  
21 related to travel as approved by the director;

22 (B) does not include

23 (i) comprehensive medical insurance that provides  
24 coverage during a trip lasting longer than six months, including a trip  
25 during which a traveler is working or residing overseas as an expatriate;  
26 or

27 (ii) any other product that requires a specific insurance  
28 producer license;

29 (9) "travel insurance limited producer" means a

30 (A) licensed managing general agent or third-party  
31 administrator;

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(B) licensed insurance producer; or

(C) travel administrator;

(10) "travel protection plan" means a plan that provides combined features that may include one or more of the following: travel insurance, travel assistance services, or cancellation fee waivers;

(11) "travel retailer" means a business entity that makes, arranges, or offers planned travel.

\* **Sec. 10.** AS 21.27.152 is repealed.

\* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. Sections 1 - 3, 9, and 10 of this Act apply to an insurance policy or contract issued, delivered, or renewed on or after the effective date of secs. 1 - 3, 9, and 10 of this Act.

\* **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The director of the division of insurance may adopt regulations necessary to implement secs. 4 - 8 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law implemented by the regulation.

\* **Sec. 13.** Section 12 of this Act takes effect immediately under AS 01.10.070(c).

\* **Sec. 14.** Except as provided in sec. 13 of this Act, this Act takes effect January 1, 2027.