



House of Representatives

General Assembly

File No. 376

February Session, 2022

Substitute House Bill No. 5411

House of Representatives, April 7, 2022

The Committee on Insurance and Real Estate reported through REP. WOOD, K. of the 29th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING TRAVEL INSURANCE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-1 of the 2022 supplement to the general statutes
2 is repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2022*):

4 Terms used in this title, and sections 3 to 11, inclusive, of this act,
5 unless it appears from the context to the contrary, shall have a scope and
6 meaning as set forth in this section.

7 (1) "Affiliate" or "affiliated" means a person that directly, or indirectly
8 through one or more intermediaries, controls, is controlled by or is
9 under common control with another person.

10 (2) "Alien insurer" means any insurer that has been chartered by or
11 organized or constituted within or under the laws of any jurisdiction or
12 country without the United States.

13 (3) "Annuities" means all agreements to make periodical payments

14 where the making or continuance of all or some of the series of the
15 payments, or the amount of the payment, is dependent upon the
16 continuance of human life or is for a specified term of years. This
17 definition does not apply to payments made under a policy of life
18 insurance.

19 (4) "Commissioner" means the Insurance Commissioner.

20 (5) "Control", "controlled by" or "under common control with" means
21 the possession, direct or indirect, of the power to direct or cause the
22 direction of the management and policies of a person, whether through
23 the ownership of voting securities, by contract other than a commercial
24 contract for goods or nonmanagement services, or otherwise, unless the
25 power is the result of an official position with the person.

26 (6) "Domestic insurer" means any insurer that has been chartered by,
27 incorporated, organized or constituted within or under the laws of this
28 state.

29 (7) "Domestic surplus lines insurer" means any domestic insurer that
30 has been authorized by the commissioner to write surplus lines
31 insurance.

32 (8) "Foreign country" means any jurisdiction not in any state, district
33 or territory of the United States.

34 (9) "Foreign insurer" means any insurer that has been chartered by or
35 organized or constituted within or under the laws of another state or a
36 territory of the United States.

37 (10) "Insolvency" or "insolvent" means, for any insurer, that it is
38 unable to pay its obligations when they are due, or when its admitted
39 assets do not exceed its liabilities plus the greater of: (A) Capital and
40 surplus required by law for its organization and continued operation;
41 or (B) the total par or stated value of its authorized and issued capital
42 stock. For purposes of this subdivision "liabilities" shall include but not
43 be limited to reserves required by statute or by regulations adopted by
44 the commissioner in accordance with the provisions of chapter 54 or

45 specific requirements imposed by the commissioner upon a subject
46 company at the time of admission or subsequent thereto.

47 (11) "Insurance" means any agreement to pay a sum of money,
48 provide services or any other thing of value on the happening of a
49 particular event or contingency or to provide indemnity for loss in
50 respect to a specified subject by specified perils in return for a
51 consideration. In any contract of insurance, an insured shall have an
52 interest which is subject to a risk of loss through destruction or
53 impairment of that interest, which risk is assumed by the insurer and
54 such assumption shall be part of a general scheme to distribute losses
55 among a large group of persons bearing similar risks in return for a
56 ratable contribution or other consideration.

57 (12) "Insurer" or "insurance company" includes any person or
58 combination of persons doing any kind or form of insurance business
59 other than a fraternal benefit society, and shall include a receiver of any
60 insurer when the context reasonably permits.

61 (13) "Insured" means a person to whom or for whose benefit an
62 insurer makes a promise in an insurance policy. The term includes
63 policyholders, subscribers, members and beneficiaries. This definition
64 applies only to the provisions of this title and does not define the
65 meaning of this word as used in insurance policies or certificates.

66 (14) "Life insurance" means insurance on human lives and insurances
67 pertaining to or connected with human life. The business of life
68 insurance includes granting endowment benefits, granting additional
69 benefits in the event of death by accident or accidental means, granting
70 additional benefits in the event of the total and permanent disability of
71 the insured, and providing optional methods of settlement of proceeds.
72 Life insurance includes burial contracts to the extent provided by
73 section 38a-464.

74 (15) "Mutual insurer" means any insurer without capital stock, the
75 managing directors or officers of which are elected by its members.

76 (16) "Person" means an individual, a corporation, a partnership, a
77 limited liability company, an association, a joint stock company, a
78 business trust, an unincorporated organization or other legal entity.

79 (17) "Policy" means any document, including attached endorsements
80 and riders, purporting to be an enforceable contract, which
81 memorializes in writing some or all of the terms of an insurance
82 contract.

83 (18) "State" means any state, district, or territory of the United States.

84 (19) "Subsidiary" of a specified person means an affiliate controlled
85 by the person directly, or indirectly through one or more intermediaries.

86 (20) "Unauthorized insurer" or "nonadmitted insurer" means an
87 insurer that has not been granted a certificate of authority by the
88 commissioner to transact the business of insurance in this state or an
89 insurer transacting business not authorized by a valid certificate.

90 (21) "United States" means the United States of America, its territories
91 and possessions, the Commonwealth of Puerto Rico and the District of
92 Columbia.

93 Sec. 2. Section 38a-398 of the general statutes is repealed and the
94 following is substituted in lieu thereof (*Effective October 1, 2022*):

95 [(a) As used in] For the purposes of this section and sections 3 to 11,
96 inclusive, of this act:

97 [(1) "Travel insurance" means insurance, provided under an
98 individual or a group or master insurance policy, for the following
99 personal risks incident to planned travel: (A) Interruption or
100 cancellation of a trip or an event; (B) loss of baggage or personal effects;
101 (C) damage to accommodations or rental vehicles; or (D) sickness,
102 accident, disability or death occurring during travel;]

103 (1) "Aggregator web site" means an Internet web site that provides
104 access to information concerning insurance products from more than

105 one insurer, including, but not limited to, product and insurer
106 information, for use in insurance product comparison shopping.

107 (2) "Blanket travel insurance policy" means a policy of travel
108 insurance issued to an eligible group that provides coverage: (A) For
109 specific classes of persons defined in such policy of travel insurance; and
110 (B) to all members of such eligible group without imposing a separate
111 charge on any individual member of such eligible group.

112 (3) "Cancellation fee waiver" means a contractual agreement between
113 a supplier of travel services and a consumer to waive some or all of the
114 nonrefundable cancellation fee provisions of such supplier's underlying
115 travel contract regardless of the reason for the cancellation or form of
116 reimbursement.

117 (4) "Designated travel retailer" means a travel retailer designated by
118 a limited lines travel insurance producer to offer and disseminate travel
119 insurance to residents of this state on behalf of the limited lines travel
120 insurance producer.

121 (5) "Eligible group" means, with respect to travel insurance, a group
122 of two or more persons who are engaged in a common enterprise or
123 have an economic, educational or social affinity or relationship,
124 including, but not limited to: (A) A group of entities that are engaged in
125 the business of providing travel or travel services, including, but not
126 limited to, tour operators, lodging providers, vacation property owners,
127 hotels, resorts, travel clubs, travel agencies, property managers, cultural
128 exchange programs and common carriers, including, but not limited to,
129 airlines, cruise lines, railroads, steamship companies and public bus
130 carriers, provided all members or customers of such group have a
131 common exposure to risk attendant to travel with respect to a particular
132 type of travel or traveler; (B) a college, school or other institution of
133 learning, provided any blanket travel insurance policy issued to the
134 college, school or other institution of learning provides coverage for the
135 students, teachers, employees or volunteers of such college, school or
136 institution of higher learning; (C) an employer, provided any blanket
137 travel insurance policy issued to the employer provides coverage for a

138 group of employees, volunteers, contractors, directors, dependents or
139 guests of such employer; (D) a sports team, camp or sponsor of such
140 sports team or camp, provided any blanket travel insurance policy
141 issued to such team, camp or sponsor provides coverage for
142 participants, members, campers, employees, officials, supervisors or
143 volunteers of such team, camp or sponsor; (E) a religious, charitable,
144 recreational, educational or civic organization, or branch of such
145 religious, charitable, recreational, educational or civic organization,
146 provided any blanket travel insurance policy issued to such
147 organization or branch provides coverage for a group of members,
148 participants or volunteers of such organization or branch; (F) a financial
149 institution or financial institution vendor, or a parent holding company,
150 trustee or agent of, or designated by, one or more financial institutions
151 or financial institution vendors, including, but not limited to, account
152 holders, credit card holders, debtors, guarantors or purchasers; (G) an
153 incorporated or unincorporated association, including, but not limited
154 to, a labor union, that has a common interest, constitution and bylaws
155 and is maintained, in good faith, for a purpose other than obtaining
156 insurance for members of, or participants in, such association covering
157 the members of such association; (H) a trust or the trustees of a fund
158 approved by the commissioner and established, created or maintained
159 for the benefit of, and covering, members, employees or customers of
160 one or more of the associations described in subparagraph (G) of this
161 subdivision; (I) an entertainment production company, provided any
162 blanket travel insurance policy issued to the entertainment production
163 company provides coverage for a group of participants, volunteers,
164 audience members, contestants or workers of such entertainment
165 production company; (J) a volunteer fire department, police
166 department, ambulance service, first aid service, rescue service, court or
167 civil defense organization, or any similar voluntary group; (K) a
168 preschool, daycare institution for children or adults or a senior citizen
169 club; (L) an automobile or truck rental or leasing company covering,
170 under a blanket travel insurance policy, a group of individuals who may
171 become renters or lessees of, or passengers on, a rented or leased
172 automobile or truck due to their travel status on such rented or leased

173 automobile or truck, provided the common carrier, operator, owner or
174 lessor of the rented or leased automobile or truck, or the automobile or
175 truck rental or leasing company, is the policyholder of the blanket travel
176 insurance policy providing such coverage; and (M) any other group if
177 the commissioner determines, in the commissioner's discretion, that
178 issuing a blanket travel insurance policy to such group is consistent with
179 the public interest.

180 (6) "Fulfillment materials" means documents sent to a consumer who
181 purchases a travel protection plan that (A) confirms purchase of such
182 travel protection plan, and (B) discloses the coverage and assistance
183 details for such travel protection plan.

184 (7) "Group travel insurance" means travel insurance issued to an
185 eligible group.

186 [(2)] (8) "Limited lines travel insurance producer" means an
187 individual who, or business entity that, is authorized under subsection
188 (b) of [this] section 4 of this act to sell, solicit or negotiate travel
189 insurance. [;]

190 [(3) "Offer and disseminate,"] (9) "Offer and disseminate" means, with
191 respect to travel insurance, [means] the provision of general information
192 about or general services for travel insurance, including: (A) A
193 description of the coverage and price of a policy of travel insurance;
194 [policy;] (B) the processing of an application for a policy of travel
195 insurance; [policy;] (C) the collection of a premium for a policy of travel
196 insurance; [policy;] or (D) the performance of other activities not
197 requiring a license and permitted in this state concerning a policy of
198 travel insurance. [policy;]

199 (10) "Primary certificate holder" means an individual who elects
200 coverage under and purchases travel insurance provided under a policy
201 of group travel insurance.

202 (11) "Primary policyholder" means an individual who elects and
203 purchases travel insurance provided under an individual policy of

204 travel insurance.

205 (12) "Travel administrator" means a person who, directly or
206 indirectly, underwrites travel insurance, collects charges, collateral or
207 premiums in connection with travel insurance or adjusts or settles travel
208 insurance claims for residents of this state, unless such person: (A)
209 Works for, and to the extent that such person's activities are subject to
210 the supervision and control of, a travel administrator; (B) is a licensed
211 insurance producer selling insurance or engaged in administrative and
212 claims-related activities within the scope of such insurance producer's
213 license; (C) is a designated travel retailer; (D) is a public adjuster, as
214 defined in section 38a-723, or a lawyer settling a client's claim; or (E) is
215 a business entity affiliated with a licensed insurer and administering the
216 direct and assumed travel insurance business of such licensed affiliated
217 insurer.

218 (13) "Travel assistance services" means any noninsurance services for
219 which a consumer is not indemnified based on a fortuitous event and
220 where providing such noninsurance services does not transfer or shift
221 any risk in a manner that constitutes the business of insurance,
222 including, but not limited to: (A) Security advisories; (B) destination
223 information; (C) vaccination and immunization information services;
224 (D) travel reservation services; (E) entertainment; (F) activity and event
225 planning; (G) translation assistance; (H) emergency messaging; (I)
226 international legal and medical referrals; (J) medical case monitoring;
227 (K) transportation arrangement coordination; (L) emergency cash
228 transfer assistance; (M) medical prescription replacement assistance; (N)
229 passport and other travel document replacement assistance; (O) lost
230 luggage assistance; (P) concierge services; and (Q) any service furnished
231 in connection with a planned trip or travel.

232 (14) (A) "Travel insurance" means insurance, provided under an
233 individual, group or blanket insurance policy, for the following
234 personal risks incident to a planned trip or travel: (i) Interruption or
235 cancellation of a trip, travel or an event; (ii) loss of baggage or personal
236 effects; (iii) damage to accommodations or rental vehicles; (iv) sickness,

237 accident, disability or death occurring during a trip or travel; (v)
238 emergency evacuation; (vi) repatriation of remains; or (vii) any other
239 contractual obligation to indemnify or pay a specified amount to a
240 traveler upon determinable contingencies that are related to travel and
241 prescribed in regulations adopted by the commissioner pursuant to
242 section 11 of this act.

243 (B) "Travel insurance" does not include: (i) Major medical plans that
244 provide comprehensive medical protection for a traveler with a trip or
245 travel lasting longer than six months, including, but not limited to, a
246 traveler working or residing outside of the United States as an
247 expatriate; (ii) a product that requires a specific insurance producer
248 license; or (iii) a cancellation fee waiver.

249 (15) "Travel protection plan" means a plan that includes travel
250 insurance, travel assistance services or a cancellation fee waiver.

251 ~~[(4)]~~ (16) "Travel retailer" means a business entity that makes,
252 arranges or offers travel services. [; and]

253 [(5) "Designated travel retailer" means a travel retailer designated by
254 a limited lines travel insurance producer to offer and disseminate travel
255 insurance to residents of this state on such producer's behalf.

256 (b) (1) (A) Any individual or business entity that wishes to act as a
257 limited lines travel insurance producer in this state may apply to the
258 Insurance Commissioner for authorization to act as a limited lines travel
259 insurance producer and to sell, solicit or negotiate travel insurance
260 through an insurance company licensed or authorized to do business in
261 this state. Such application shall be submitted on such form and in such
262 manner as prescribed by the commissioner and shall be accompanied
263 by the fee required under section 38a-11. The commissioner shall not
264 approve such application unless (i) the applicant has paid all applicable
265 filing and licensing fees required under this title, and (ii) for an applicant
266 that is a business entity, the employee designated pursuant to
267 subparagraph (A) of subdivision (3) of this subsection and the president,
268 secretary, treasurer and any other officer or individual who directs or

269 controls the insurance operations of the applicant has complied with
270 any fingerprinting requirements applicable to insurance producers in
271 the resident state of the applicant.

272 (B) The commissioner may approve or deny such application. Any
273 such authorization shall be in force until the commissioner suspends or
274 revokes such authorization or the commissioner suspends, revokes or
275 refuses to renew the individual's or insurance company's license or
276 authorization to do business in this state.

277 (2) Each limited lines travel insurance producer that is a business
278 entity shall, at the time such application is approved by the
279 commissioner, establish and maintain a registry, on a form prescribed
280 by the commissioner, of its designated travel retailers. Such producer
281 shall update the registry annually and shall include: (A) The name,
282 address and contact information of each designated travel retailer; (B)
283 the name, address and contact information of an officer or individual
284 who directs or controls each designated travel retailer's operations; (C)
285 the federal tax identification number of each designated travel retailer;
286 and (D) a certification by such producer that the designated travel
287 retailer has not engaged in conduct prohibited under 18 USC 1033, as
288 amended from time to time. Upon request by the commissioner, a
289 limited lines travel insurance producer shall make such registry
290 available to the commissioner or the commissioner's designee for
291 inspection and examination during the regular business hours of such
292 limited lines travel insurance producer.

293 (3) (A) Each limited lines travel insurance producer that is a business
294 entity shall designate an employee, who is an insurance producer
295 licensed in this state, as the individual responsible for the limited lines
296 travel insurance producer's compliance with this section, including
297 supervision of its designated travel retailers.

298 (B) Each limited lines travel insurance producer that is a business
299 entity shall be responsible for the acts of its designated travel retailers
300 and shall use reasonable means to ensure each designated travel
301 retailer's compliance with this section.

302 (4) Each limited lines travel insurance producer that is a business
303 entity shall require each employee and authorized representative of its
304 designated travel retailers to receive instruction or training on the offer
305 and dissemination of travel insurance. Such instruction or training may
306 be subject to review by the commissioner and shall include, at a
307 minimum, information about (A) the types of travel insurance offered
308 through the travel retailer, (B) ethical sales practices, and (C) required
309 disclosures to prospective insureds.

310 (5) Each limited lines travel insurance producer that is a business
311 entity or designated travel retailer shall provide to purchasers of a travel
312 insurance policy: (A) A description or a copy of the material terms of
313 such policy; (B) a description of the process for filing a claim under such
314 policy; (C) a description of the process for the review or cancellation of
315 such policy; and (D) the identity of and contact information for the
316 insurance company issuing such policy and the limited lines travel
317 insurance producer.

318 (c) (1) A travel retailer that does not employ a licensed insurance
319 producer or is not licensed or authorized to transact the business of
320 insurance in this state may offer and disseminate travel insurance to
321 residents of this state, if (A) it is a designated travel retailer, and (B) its
322 travel insurance-related activities are limited to those authorized under
323 this section.

324 (2) A travel retailer shall make available to prospective insureds
325 brochures or other written materials that: (A) Provide the identity of and
326 contact information for the insurance company issuing the travel
327 insurance policy and the limited lines travel insurance producer; (B)
328 explain that the purchase of travel insurance is not required to purchase
329 any other product or service from the travel retailer; and (C) explain that
330 such travel retailer is permitted to provide general information about
331 the travel insurance offered through the travel retailer, including a
332 description of the coverage and price, but is not qualified or authorized
333 to answer questions about the terms and conditions of such travel
334 insurance or evaluate the adequacy of the prospective insured's existing

335 insurance coverage.

336 (3) A designated travel retailer may receive compensation from a
337 limited lines travel insurance producer or the insurance company
338 issuing a travel insurance policy for services related to the offer and
339 dissemination of travel insurance as agreed to by such designated travel
340 retailer and such limited lines travel insurance producer or insurance
341 company.

342 (4) An employee or authorized representative of a travel retailer shall
343 not be required to be licensed as an insurance producer unless such
344 employee or authorized representative: (A) Evaluates or interprets the
345 terms, benefits or conditions of travel insurance offered by the travel
346 retailer; (B) evaluates or provides advice regarding a prospective
347 insured's existing insurance coverage; or (C) holds himself or herself out
348 as a licensed insurance producer or an insurance expert.

349 (d) (1) A violation of this section by a limited lines travel insurance
350 producer shall be deemed an unfair or deceptive insurance practice
351 under section 38a-816.

352 (2) A violation of this section by a travel retailer shall be deemed an
353 unfair or deceptive trade practice under subsection (a) of section 42-
354 110b.]

355 Sec. 3. (NEW) (*Effective October 1, 2022*) (a) Travel insurance shall be
356 classified and filed in this state, for the purposes of rates and forms,
357 under an inland marine line of insurance, except if travel insurance
358 provides coverage for sickness, accident, disability or death occurring
359 during a trip or travel, either exclusively or in conjunction with related
360 coverages of emergency evacuation or repatriation of remains, or
361 incidental limited property and casualty benefits such as baggage or trip
362 or travel cancellation, such travel insurance may be filed in this state
363 under either an accident and health line of insurance or an inland
364 marine line of insurance.

365 (b) The commissioner may prescribe eligibility and underwriting

366 standards for travel insurance, provided such standards are based on
367 travel protection plans designed for individual or identified marketing
368 or distribution channels and meet this state's underwriting standards
369 for inland marine lines of insurance.

370 Sec. 4. (NEW) (*Effective October 1, 2022*) (a) (1) Except as provided in
371 subdivision (2) of this subsection, no individual or business entity shall
372 act as a limited lines travel insurance producer, and no travel retailer
373 shall act as a designated travel retailer, in this state except in accordance
374 with the provisions of this section and sections 5, 7, 9 and 10 of this act.

375 (2) Notwithstanding any provision of this section, each insurance
376 producer licensed for a major line of authority in this state shall be
377 deemed to have been authorized to sell, solicit and negotiate travel
378 insurance in this state, and no insurance producer licensed for property
379 and casualty insurance lines in this state shall be required to seek
380 authorization to sell, solicit or negotiate travel insurance through an
381 insurer licensed or authorized to do insurance business in this state.

382 (b) (1) (A) Except as provided in subdivision (2) of subsection (a) of
383 this section, any individual or business entity that wishes to act as a
384 limited lines travel insurance producer in this state may apply to the
385 commissioner for annual authorization to act as a limited lines travel
386 insurance producer and to sell, solicit or negotiate travel insurance
387 through an insurer licensed or authorized to do insurance business in
388 this state. Such application shall be submitted on such form and in such
389 manner as prescribed by the commissioner and shall be accompanied
390 by the fee required under section 38a-11 of the general statutes, as
391 amended by this act. The commissioner shall not approve such
392 application unless: (i) The applicant has paid (I) all applicable filing fees
393 and licensing fees required under title 38a of the general statutes, and
394 (II) the licensing fee under section 38a-11 of the general statutes, as
395 amended by this act, and (ii) for an applicant that is a business entity,
396 the employee designated pursuant to subparagraph (A) of subdivision
397 (3) of this subsection and the president, secretary, treasurer and any
398 other officer or individual who directs or controls the insurance

399 operations of the applicant has complied with any fingerprinting
400 requirements applicable to insurance producers in the resident state of
401 the applicant.

402 (B) The commissioner may approve or deny any application
403 submitted pursuant to subparagraph (A) of this subdivision. Any
404 authorization approved by the commissioner shall be in force until the
405 day immediately preceding the anniversary date of such authorization,
406 the date on which the commissioner suspends or revokes such
407 authorization in accordance with the provisions of section 9 of this act
408 or the commissioner suspends, revokes or refuses to renew the license
409 of the insurer through which the limited lines travel insurance producer
410 is selling, soliciting or negotiating travel insurance in this state,
411 whichever first occurs.

412 (2) Each limited lines travel insurance producer that is a business
413 entity shall, at the time such application is approved by the
414 commissioner, establish and maintain a registry, on a form prescribed
415 by the commissioner, of its designated travel retailers. Such limited lines
416 travel insurance producer shall update the registry annually and shall
417 include: (A) The name, address and contact information of each
418 designated travel retailer; (B) the name, address and contact information
419 of an officer or individual who directs or controls each designated travel
420 retailer's operations; (C) the federal tax identification number of each
421 designated travel retailer; and (D) a certification by such limited lines
422 travel insurance producer that the designated travel retailer has not
423 engaged in conduct prohibited under 18 USC 1033, as amended from
424 time to time. Upon request by the commissioner, a limited lines travel
425 insurance producer shall make such registry available to the
426 commissioner or the commissioner's designee for inspection and
427 examination during the regular business hours of such limited lines
428 travel insurance producer.

429 (3) (A) Each limited lines travel insurance producer that is a business
430 entity shall designate an employee, who is an insurance producer
431 licensed in this state, as the individual responsible for the limited lines

432 travel insurance producer's compliance with this section and sections 5,
433 7, 9 and 10 of this act, including supervision of its designated travel
434 retailers.

435 (B) Each limited lines travel insurance producer that is a business
436 entity shall be responsible for the acts of such limited lines travel
437 insurance producer's designated travel retailers and shall use
438 reasonable means to ensure each designated travel retailer's compliance
439 with this section and sections 5, 7, 9 and 10 of this act.

440 (4) Each limited lines travel insurance producer that is a business
441 entity shall require each employee and authorized representative of its
442 designated travel retailers to receive instruction or training on the offer
443 and dissemination of travel insurance. Such instruction or training may
444 be subject to review by the commissioner and shall include, at a
445 minimum, information about: (A) The types of travel insurance offered
446 through the designated travel retailer; (B) ethical sales practices; and (C)
447 required disclosures to consumers.

448 (5) Each limited lines travel insurance producer that is a business
449 entity or designated travel retailer shall provide to purchasers of a
450 policy of travel insurance: (A) A description or a copy of the material
451 terms of such policy; (B) a description of the process for filing a claim
452 under such policy; (C) a description of the process for the review or
453 cancellation of such policy; and (D) the identity of and contact
454 information for the insurer issuing such policy and the limited lines
455 travel insurance producer.

456 (c) (1) A travel retailer that does not employ a licensed insurance
457 producer or is not licensed or authorized to transact the business of
458 insurance in this state may offer and disseminate travel insurance to
459 residents of this state, if: (A) Such travel retailer is a designated travel
460 retailer, and (B) such designated travel retailer's travel insurance-related
461 activities are limited to those authorized under this section.

462 (2) A designated travel retailer shall make available to consumers
463 brochures or other written materials that: (A) Provide the identity of,

464 and contact information for, the insurer issuing the policy of travel
465 insurance and the limited lines travel insurance producer; (B) explain
466 that the purchase of travel insurance is not required to purchase any
467 other product or service from the designated travel retailer; and (C)
468 explain that such designated travel retailer is permitted to provide
469 general information about the travel insurance offered through such
470 designated travel retailer, including, but not limited to, a description of
471 the coverage and price, but is not qualified or authorized to answer
472 questions about the terms and conditions of such travel insurance or
473 evaluate the adequacy of the consumer's existing insurance coverage.

474 (3) A designated travel retailer may receive compensation from a
475 limited lines travel insurance producer or the insurer issuing a policy of
476 travel insurance for services related to the offer and dissemination of
477 travel insurance as agreed to by such designated travel retailer and such
478 limited lines travel insurance producer or insurer.

479 (4) An employee or authorized representative of a travel retailer shall
480 not be required to be licensed as an insurance producer unless such
481 employee or authorized representative: (A) Evaluates or interprets the
482 technical terms, benefits or conditions of travel insurance offered by the
483 travel retailer; (B) evaluates or provides advice regarding a consumer's
484 existing insurance coverage; or (C) holds himself or herself out as a
485 licensed insurance producer or an insurance expert.

486 Sec. 5. (NEW) (*Effective October 1, 2022*) (a) (1) All documents
487 provided to a consumer prior to the purchase of a policy of travel
488 insurance, including, but not limited to, sales materials, advertising
489 materials and marketing materials, shall be consistent with the policy of
490 travel insurance, including, but not limited to, forms, endorsements,
491 policies, rate filings and certificates of insurance.

492 (2) If a policy or certificate of travel insurance contains any
493 preexisting condition exclusion, information concerning, and an
494 opportunity to learn more about, such preexisting condition exclusion
495 shall be provided to a consumer at any time prior to the time that the
496 consumer purchases such policy or certificate of travel insurance, and

497 any such preexisting condition exclusion shall be provided to a
498 consumer in the fulfillment materials for a travel protection plan that
499 includes travel insurance.

500 (3) (A) If a consumer purchases a travel protection plan in this state,
501 the following shall be provided to the consumer as soon as practicable
502 following the time that such consumer purchases such travel protection
503 plan:

504 (i) The fulfillment materials for such travel protection plan;

505 (ii) A description, or a copy of, the material terms of any travel
506 insurance coverage included in such travel protection plan;

507 (iii) A description of the process for filing a claim under any travel
508 insurance coverage included in such travel protection plan;

509 (iv) A description of the process for review or cancellation of any
510 travel insurance coverage included in such travel protection plan; and

511 (v) The identity of, and contact information for, the insurer issuing
512 any travel insurance coverage included in such travel protection plan.

513 (B) Unless a consumer insured under travel insurance coverage
514 included in a travel protection plan departs on a covered trip or travel,
515 or files a claim under such coverage, the consumer may cancel such
516 travel insurance coverage and receive a full refund of the travel
517 protection plan price from the date that such consumer purchased such
518 travel protection plan until at least:

519 (i) Fifteen days following the date of delivery of such travel protection
520 plan's fulfillment materials by mail; or

521 (ii) Ten days following the date of delivery of such travel protection
522 plan's fulfillment materials by any means other than mail.

523 (4) The fulfillment materials for a travel protection plan, and the
524 documents concerning any travel insurance coverage included in the
525 travel protection plan, shall disclose whether the travel insurance

526 coverage included in such travel protection plan is primary or
527 secondary to other applicable coverage.

528 (b) No person offering, soliciting or negotiating travel insurance or
529 travel protection plans to consumers in this state on an individual or
530 group basis may do so by using a negative option or opt-out, which
531 would require a consumer to take an affirmative action to deselect travel
532 insurance coverage, by, for example, unchecking a box on an electronic
533 form, when the consumer purchases a trip or travel package.

534 Sec. 6. (NEW) (*Effective October 1, 2022*) (a) No person shall act as, or
535 hold itself out to be, a travel administrator in this state unless such
536 person is:

537 (1) An insurance producer licensed for property and casualty
538 insurance lines in this state;

539 (2) A managing general agent, as defined in section 38a-90a of the
540 general statutes, that is licensed as an insurance producer and holds an
541 appointment by an insurer in this state; or

542 (3) A third-party administrator licensed pursuant to section 38a-720j
543 of the general statutes.

544 (b) Each insurer shall be responsible for the conduct of each travel
545 administrator administering travel insurance in this state underwritten
546 by such insurer, and shall ensure that each such travel administrator
547 maintains, and makes available to the commissioner upon request, all
548 books and records concerning such insurer.

549 Sec. 7. (NEW) (*Effective October 1, 2022*) A travel protection plan may
550 be offered to a consumer in this state for a single price reflecting any
551 combined features offered by the travel protection plan if:

552 (1) Such travel protection plan:

553 (A) Discloses to the consumer, at or before the time of purchase, that
554 such travel protection plan includes travel insurance, travel assistance

555 services and cancellation fee waivers, as applicable, and that such
556 consumer may obtain additional information regarding the individual
557 features and pricing of such travel insurance, travel assistance services
558 and cancellation fee waivers, as applicable; and

559 (B) Provides to the consumer, at or before the time of purchase, an
560 opportunity to obtain the additional information described in
561 subparagraph (A) of this subdivision; and

562 (2) The fulfillment materials for such travel protection plan:

563 (A) Describe and delineate the travel insurance, travel assistance
564 services and cancellation fee waivers, if any, in such travel protection
565 plan; and

566 (B) Include any required disclosure concerning the travel insurance
567 coverage included in such travel protection plan, if any, and the contact
568 information for the persons providing the travel assistance services and
569 cancellation fee waivers included in such travel protection plan, if any.

570 Sec. 8. (NEW) (*Effective October 1, 2022*) (a) (1) Except as provided in
571 subdivision (2) of this subsection, travel insurance written by a domestic
572 insurer shall be subject to the tax imposed under section 12-202 of the
573 general statutes, and travel insurance written by an alien insurer or
574 foreign insurer shall be subject to the tax imposed under section 12-210
575 of the general statutes, for travel insurance premiums paid by:

576 (A) The primary policyholder of an individual policy of travel
577 insurance if such primary policyholder is a resident of this state;

578 (B) The primary certificate holder of a policy of group travel
579 insurance if such primary certificate holder is a resident of this state; or

580 (C) A policyholder of a blanket travel insurance policy if the
581 policyholder is a resident of this state, maintains such policyholder's
582 principal place of business in this state or an affiliate or subsidiary of
583 such policyholder maintains such affiliate's or subsidiary's principal
584 place of business in this state.

585 (2) If a domestic insurer, alien insurer or foreign insurer that writes a
586 blanket travel insurance policy described in subparagraph (C) of
587 subdivision (1) of this subsection is subject to rules across multiple
588 taxing jurisdictions that permit such insurer to allocate premiums across
589 such jurisdictions on an apportioned basis and in a reasonable and
590 equitable manner, such insurer's liability under said subparagraph shall
591 be subject to such premium allocation.

592 (b) Each domestic insurer, alien insurer and foreign insurer that is
593 subject to the provisions of subsection (a) of this section shall:

594 (1) Document the state in which each primary policyholder, primary
595 certificate holder, policyholder, affiliate or subsidiary described in
596 subsection (a) of this section maintains such primary policyholder's,
597 primary certificate holder's, policyholder's, affiliate's or subsidiary's
598 primary residence or principal place of business, as applicable; and

599 (2) Report as premium only the amount allocable to travel insurance.

600 Sec. 9. (NEW) (*Effective October 1, 2022*) (a) The commissioner may
601 suspend, revoke or refuse to issue or renew authorization to act as a
602 limited lines travel insurance producer, or prohibit a travel retailer from
603 acting as a designated travel retailer, in this state or may levy a civil
604 penalty in accordance with the provisions of title 38a of the general
605 statutes, or may take any combination of such actions, for any one or
606 more of the following causes:

607 (1) For a limited lines travel insurance producer, providing incorrect,
608 misleading, incomplete or materially untrue information to the
609 commissioner in an application for authorization to act as a limited lines
610 travel insurance producer;

611 (2) Violating any insurance law, or violating any regulation,
612 subpoena or order of the commissioner or of another state's insurance
613 commissioner;

614 (3) For a limited lines travel insurance producer, obtaining or
615 attempting to obtain authorization from the commissioner to act as a

616 limited lines travel insurance producer through misrepresentation or
617 fraud;

618 (4) Improperly withholding, misappropriating or converting any
619 moneys or properties received in the course of doing business in this
620 state;

621 (5) Intentionally misrepresenting the terms of actual or proposed
622 travel insurance coverage or an application for such coverage;

623 (6) Having been convicted of a felony;

624 (7) Having admitted or been found to have committed any insurance
625 unfair trade practice or fraud;

626 (8) Using fraudulent, coercive or dishonest practices, or
627 demonstrating incompetence, untrustworthiness or financial
628 irresponsibility in the conduct of business in this state or elsewhere;

629 (9) For a limited lines travel insurance producer, having
630 authorization to act as a limited lines travel insurance producer, or its
631 equivalent, denied, suspended or revoked in any other state, province,
632 district or territory;

633 (10) Forging another's name to an application for travel insurance
634 coverage or to any document related to a travel insurance transaction;

635 (11) Failing to comply with an administrative or court order imposing
636 a child support obligation; or

637 (12) Failing to pay income tax pursuant to chapter 229 of the general
638 statutes or comply with any administrative or court order directing
639 payment of state income tax.

640 (b) If the action by the commissioner is to refuse to renew
641 authorization to act as a limited lines travel insurance producer or to
642 deny an application for an authorization to act as a limited lines travel
643 insurance producer, the commissioner shall notify the applicant or
644 limited lines travel insurance producer, as applicable, and advise, in

645 writing, the applicant or limited lines travel insurance producer, as
646 applicable, of the reason for the commissioner's denial or refusal to
647 renew such authorization. The applicant or limited lines travel
648 insurance producer, as applicable, may make written demand upon the
649 commissioner, not later than thirty days after the notice, for a hearing
650 before the commissioner to determine the reasonableness of the
651 commissioner's action. The hearing shall be held not later than twenty
652 days after receipt of such request and shall be held in accordance with
653 section 38a-19 of the general statutes.

654 (c) A business entity's authority to act as a limited lines travel
655 insurance producer or designated travel retailer in this state may be
656 suspended, revoked or refused if the commissioner finds, after a
657 hearing, that an individual employee's or authorized representative's
658 violation was known or should have been known by one or more of the
659 partners, officers or managers acting on behalf of the business entity and
660 the violation was neither reported to the commissioner nor was any
661 corrective action taken.

662 (d) The commissioner shall retain the authority to enforce the
663 provisions of, and impose any penalty or remedy authorized by, any
664 provision of title 38a of the general statutes against any person who is
665 under investigation for or charged with a violation of title 38a of the
666 general statutes even if the person's license, authorization, designation
667 or registration has been surrendered or has lapsed by operation of law.

668 Sec. 10. (NEW) (*Effective October 1, 2022*) (a) Except as provided in
669 subsections (b) and (c) of this section, each of the following shall be
670 deemed an unfair or deceptive insurance practice under section 38a-816
671 of the general statutes:

672 (1) Any violation of a provision of section 4, 5, 7 or 9 of this act by a
673 limited lines travel insurance producer if such provision is applicable to
674 the limited lines travel insurance producer;

675 (2) Any violation of a provision of section 6 or 8 of this act by an
676 insurer if such provision is applicable to such insurer;

677 (3) Offering or selling a policy of travel insurance in this state that is
678 never required to pay a claim; and

679 (4) Representing to a consumer that coverage under a blanket travel
680 insurance policy is provided free of charge.

681 (b) Except as provided in subsection (c) of this section, each of the
682 following shall be deemed an unfair or deceptive trade practice under
683 subsection (a) of section 42-110b of the general statutes:

684 (1) Any violation of a provision of section 4, 5, 7 or 9 of this act by a
685 travel retailer or designated travel retailer if such provision is applicable
686 to the travel retailer or designated travel retailer; and

687 (2) Any violation of a provision of section 6 of this act by a travel
688 administrator if such provision is applicable to the travel administrator.

689 (c) It shall not be an unfair or deceptive insurance practice under
690 section 38a-816 of the general statutes or an unfair or deceptive trade
691 practice under subsection (a) of section 42-110b of the general statutes:

692 (1) If a consumer's destination jurisdiction requires insurance
693 coverage, to require the consumer to choose one of the following options
694 as a precondition to purchasing a trip or travel package:

695 (A) Purchasing the coverage required by such destination jurisdiction
696 through the designated travel retailer or limited lines travel insurance
697 producer supplying the trip or travel package; or

698 (B) Agreeing to obtain and provide proof of coverage that meets the
699 destination jurisdiction's requirements prior to the time that the
700 consumer departs for such trip or travel; or

701 (2) If travel insurance coverage is directly marketed to a consumer
702 through an insurer's Internet web site or an aggregator web site and the
703 consumer may access all provisions of such travel insurance coverage
704 by electronic means, and an accurate summary or short description of
705 such travel insurance coverage is provided on the insurer's Internet web

706 site or aggregator web site.

707 Sec. 11. (NEW) (*Effective October 1, 2022*) The commissioner shall
708 adopt regulations, in accordance with chapter 54 of the general statutes,
709 to implement the provisions of section 38a-398 of the general statutes,
710 as amended by this act, and sections 3 to 10, inclusive, of this act.

711 Sec. 12. Subsection (a) of section 38a-11 of the general statutes is
712 repealed and the following is substituted in lieu thereof (*Effective October*
713 *1, 2022*):

714 (a) The commissioner shall demand and receive the following fees:
715 (1) For the annual fee for each license issued to a domestic insurance
716 company, two hundred dollars; (2) for receiving and filing annual
717 reports of domestic insurance companies, fifty dollars; (3) for filing all
718 documents prerequisite to the issuance of a license to an insurance
719 company, two hundred twenty dollars, except that the fee for such
720 filings by any health care center, as defined in section 38a-175, shall be
721 one thousand three hundred fifty dollars; (4) for filing any additional
722 paper required by law, thirty dollars; (5) for each certificate of valuation,
723 organization, reciprocity or compliance, forty dollars; (6) for each
724 certified copy of a license to a company, forty dollars; (7) for each
725 certified copy of a report or certificate of condition of a company to be
726 filed in any other state, forty dollars; (8) for amending a certificate of
727 authority, two hundred dollars; (9) for each license issued to a rating
728 organization, two hundred dollars. In addition, insurance companies
729 shall pay any fees imposed under section 12-211; (10) a filing fee of fifty
730 dollars for each initial application for a license made pursuant to section
731 38a-769; (11) with respect to insurance agents' appointments: (A) A
732 filing fee of fifty dollars for each request for any agent appointment,
733 except that no filing fee shall be payable for a request for agent
734 appointment by an insurance company domiciled in a state or foreign
735 country which does not require any filing fee for a request for agent
736 appointment for a Connecticut insurance company; (B) a fee of one
737 hundred dollars for each appointment issued to an agent of a domestic
738 insurance company or for each appointment continued; and (C) a fee of

739 eighty dollars for each appointment issued to an agent of any other
740 insurance company or for each appointment continued, except that (i)
741 no fee shall be payable for an appointment issued to an agent of an
742 insurance company domiciled in a state or foreign country which does
743 not require any fee for an appointment issued to an agent of a
744 Connecticut insurance company, and (ii) the fee shall be twenty dollars
745 for each appointment issued or continued to an agent of an insurance
746 company domiciled in a state or foreign country with a premium tax
747 rate below Connecticut's premium tax rate; (12) with respect to
748 insurance producers: (A) An examination fee of fifteen dollars for each
749 examination taken, except when a testing service is used, the testing
750 service shall pay a fee of fifteen dollars to the commissioner for each
751 examination taken by an applicant; (B) a fee of eighty dollars for each
752 license issued; (C) a fee of eighty dollars per year, or any portion thereof,
753 for each license renewed; and (D) a fee of eighty dollars for any license
754 renewed under the transitional process established in section 38a-784;
755 (13) with respect to public adjusters: (A) An examination fee of fifteen
756 dollars for each examination taken, except when a testing service is
757 used, the testing service shall pay a fee of fifteen dollars to the
758 commissioner for each examination taken by an applicant; and (B) a fee
759 of two hundred fifty dollars for each license issued or renewed; (14) with
760 respect to casualty claims adjusters: (A) An examination fee of twenty
761 dollars for each examination taken, except when a testing service is
762 used, the testing service shall pay a fee of twenty dollars to the
763 commissioner for each examination taken by an applicant; (B) a fee of
764 eighty dollars for each license issued or renewed; and (C) the expense of
765 any examination administered outside the state shall be the
766 responsibility of the entity making the request and such entity shall pay
767 to the commissioner two hundred dollars for such examination and the
768 actual traveling expenses of the examination administrator to
769 administer such examination; (15) with respect to motor vehicle
770 physical damage appraisers: (A) An examination fee of eighty dollars
771 for each examination taken, except when a testing service is used, the
772 testing service shall pay a fee of eighty dollars to the commissioner for
773 each examination taken by an applicant; (B) a fee of eighty dollars for

774 each license issued or renewed; and (C) the expense of any examination
775 administered outside the state shall be the responsibility of the entity
776 making the request and such entity shall pay to the commissioner two
777 hundred dollars for such examination and the actual traveling expenses
778 of the examination administrator to administer such examination; (16)
779 with respect to certified insurance consultants: (A) An examination fee
780 of twenty-six dollars for each examination taken, except when a testing
781 service is used, the testing service shall pay a fee of twenty-six dollars to
782 the commissioner for each examination taken by an applicant; (B) a fee
783 of two hundred fifty dollars for each license issued; and (C) a fee of two
784 hundred fifty dollars for each license renewed; (17) with respect to
785 surplus lines brokers: (A) An examination fee of twenty dollars for each
786 examination taken, except when a testing service is used, the testing
787 service shall pay a fee of twenty dollars to the commissioner for each
788 examination taken by an applicant; and (B) a fee of six hundred twenty-
789 five dollars for each license issued or renewed; (18) with respect to
790 fraternal agents, a fee of eighty dollars for each license issued or
791 renewed; (19) a fee of twenty-six dollars for each license certificate
792 requested, whether or not a license has been issued; (20) with respect to
793 domestic and foreign benefit societies shall pay: (A) For service of
794 process, fifty dollars for each person or insurer to be served; (B) for filing
795 a certified copy of its charter or articles of association, fifteen dollars; (C)
796 for filing an annual statement or report, twenty dollars; and (D) for filing
797 any additional paper required by law, fifteen dollars; (21) with respect
798 to foreign benefit societies: (A) For each certificate of organization or
799 compliance, fifteen dollars; (B) for each certified copy of permit, fifteen
800 dollars; and (C) for each copy of a report or certificate of condition of a
801 society to be filed in any other state, fifteen dollars; (22) with respect to
802 reinsurance intermediaries, a fee of six hundred twenty-five dollars for
803 each license issued or renewed; (23) with respect to life settlement
804 providers: (A) A filing fee of twenty-six dollars for each initial
805 application for a license made pursuant to section 38a-465a; and (B) a
806 fee of forty dollars for each license issued or renewed; (24) with respect
807 to life settlement brokers: (A) A filing fee of twenty-six dollars for each
808 initial application for a license made pursuant to section 38a-465a; and

809 (B) a fee of forty dollars for each license issued or renewed; (25) with
810 respect to preferred provider networks, a fee of two thousand seven
811 hundred fifty dollars for each license issued or renewed; (26) with
812 respect to rental companies, as defined in section 38a-799, a fee of eighty
813 dollars for each permit issued or renewed; (27) with respect to medical
814 discount plan organizations licensed under section 38a-479rr, a fee of six
815 hundred twenty-five dollars for each license issued or renewed; (28)
816 with respect to pharmacy benefits managers, an application fee of one
817 hundred dollars for each registration issued or renewed; (29) with
818 respect to captive insurance companies, as defined in section 38a-91aa,
819 a fee of three hundred seventy-five dollars for each license issued or
820 renewed; (30) with respect to each duplicate license issued a fee of fifty
821 dollars for each license issued; (31) with respect to surety bail bond
822 agents, as defined in section 38a-660, (A) a filing fee of one hundred fifty
823 dollars for each initial application for a license, and (B) a fee of one
824 hundred dollars for each license issued or renewed; (32) with respect to
825 third-party administrators, as defined in section 38a-720, (A) a fee of five
826 hundred dollars for each license issued, and (B) a fee of four hundred
827 fifty dollars for each license renewed; (33) with respect to portable
828 electronics insurance licenses under section 38a-397, (A) a filing fee of
829 one hundred dollars for each initial application for a license, (B) a fee of
830 five hundred dollars for each license issued, and (C) a fee of four
831 hundred fifty dollars for each license renewed; and (34) with respect to
832 limited lines travel insurance producer [licenses] authorizations under
833 section [38a-398] 4 of this act, (A) a filing fee of one hundred dollars for
834 each initial application for [a license] authorization, (B) a fee of six
835 hundred fifty dollars for each [license] authorization issued, and (C) a
836 fee of six hundred fifty dollars for each [license] authorization renewed.

837 Sec. 13. Subsection (d) of section 38a-792 of the general statutes is
838 repealed and the following is substituted in lieu thereof (*Effective October*
839 *1, 2022*):

840 (d) The provisions of this section shall not apply to any:

841 (1) (A) Individual who, for purposes of claims for portable electronics

842 insurance, as defined in section 38a-397, only (i) collects claim
843 information from or furnishes claim information to insureds or
844 claimants, and (ii) conducts data entry, including data entry into an
845 automated claims adjudication system, provided (I) such individual is
846 an employee of a casualty insurance company licensed in this state, an
847 employee of a casualty claims adjuster licensed in this state or an
848 employee of an affiliate of such insurance company or adjuster, and (II)
849 not more than twenty-five such individuals are under the supervision
850 of a casualty claims adjuster licensed in this state or an insurance
851 producer who adjusts portable electronics insurance claims and is
852 licensed in this state. A licensed insurance producer who adjusts
853 portable electronics insurance claims or supervises individuals
854 pursuant to this subparagraph shall not be required to be licensed as a
855 casualty claims adjuster.

856 (B) For purposes of this subdivision, "automated claims adjudication
857 system" means a preprogrammed computer system, designed for the
858 collection, data entry, calculation and final resolution of portable
859 electronics insurance claims, that (i) is used only by a supervised
860 individual, a casualty claims adjuster licensed in this state or an
861 insurance producer licensed in this state, in accordance with
862 subparagraph (A) of this subdivision, and (ii) complies with all
863 applicable claims payment requirements under this title; [or]

864 (2) Member of the bar of this state in good standing who is engaged
865 in the general practice of the law; [.] or

866 (3) Travel administrator, as defined in section 38a-398, as amended
867 by this act, or employee of a travel administrator for travel insurance, as
868 defined in said section, administered by such travel administrator.

869 Sec. 14. Section 38a-816 of the 2022 supplement to the general statutes
870 is repealed and the following is substituted in lieu thereof (*Effective*
871 *October 1, 2022*):

872 The following are defined as unfair methods of competition and
873 unfair and deceptive acts or practices in the business of insurance:

874 (1) Misrepresentations and false advertising of insurance policies.
875 Making, issuing or circulating, or causing to be made, issued or
876 circulated, any estimate, illustration, circular or statement, sales
877 presentation, omission or comparison which: (A) Misrepresents the
878 benefits, advantages, conditions or terms of any insurance policy; (B)
879 misrepresents the dividends or share of the surplus to be received, on
880 any insurance policy; (C) makes any false or misleading statements as
881 to the dividends or share of surplus previously paid on any insurance
882 policy; (D) is misleading or is a misrepresentation as to the financial
883 condition of any person, or as to the legal reserve system upon which
884 any life insurer operates; (E) uses any name or title of any insurance
885 policy or class of insurance policies misrepresenting the true nature
886 thereof; (F) is a misrepresentation, including, but not limited to, an
887 intentional misquote of a premium rate, for the purpose of inducing or
888 tending to induce to the purchase, lapse, forfeiture, exchange,
889 conversion or surrender of any insurance policy; (G) is a
890 misrepresentation for the purpose of effecting a pledge or assignment of
891 or effecting a loan against any insurance policy; or (H) misrepresents
892 any insurance policy as being shares of stock.

893 (2) False information and advertising generally. Making, publishing,
894 disseminating, circulating or placing before the public, or causing,
895 directly or indirectly, to be made, published, disseminated, circulated or
896 placed before the public, in a newspaper, magazine or other publication,
897 or in the form of a notice, circular, pamphlet, letter or poster, or over any
898 radio or television station, or in any other way, an advertisement,
899 announcement or statement containing any assertion, representation or
900 statement with respect to the business of insurance or with respect to
901 any person in the conduct of his insurance business, which is untrue,
902 deceptive or misleading.

903 (3) Defamation. Making, publishing, disseminating or circulating,
904 directly or indirectly, or aiding, abetting or encouraging the making,
905 publishing, disseminating or circulating of, any oral or written
906 statement or any pamphlet, circular, article or literature which is false
907 or maliciously critical of or derogatory to the financial condition of an

908 insurer, and which is calculated to injure any person engaged in the
909 business of insurance.

910 (4) Boycott, coercion and intimidation. Entering into any agreement
911 to commit, or by any concerted action committing, any act of boycott,
912 coercion or intimidation resulting in or tending to result in unreasonable
913 restraint of, or monopoly in, the business of insurance.

914 (5) False financial statements. Filing with any supervisory or other
915 public official, or making, publishing, disseminating, circulating or
916 delivering to any person, or placing before the public, or causing,
917 directly or indirectly, to be made, published, disseminated, circulated or
918 delivered to any person, or placed before the public, any false statement
919 of financial condition of an insurer with intent to deceive; or making any
920 false entry in any book, report or statement of any insurer with intent to
921 deceive any agent or examiner lawfully appointed to examine into its
922 condition or into any of its affairs, or any public official to whom such
923 insurer is required by law to report, or who has authority by law to
924 examine into its condition or into any of its affairs, or, with like intent,
925 wilfully omitting to make a true entry of any material fact pertaining to
926 the business of such insurer in any book, report or statement of such
927 insurer.

928 (6) Unfair claim settlement practices. Committing or performing with
929 such frequency as to indicate a general business practice any of the
930 following: (A) Misrepresenting pertinent facts or insurance policy
931 provisions relating to coverages at issue; (B) failing to acknowledge and
932 act with reasonable promptness upon communications with respect to
933 claims arising under insurance policies; (C) failing to adopt and
934 implement reasonable standards for the prompt investigation of claims
935 arising under insurance policies; (D) refusing to pay claims without
936 conducting a reasonable investigation based upon all available
937 information; (E) failing to affirm or deny coverage of claims within a
938 reasonable time after proof of loss statements have been completed; (F)
939 not attempting in good faith to effectuate prompt, fair and equitable
940 settlements of claims in which liability has become reasonably clear; (G)

941 compelling insureds to institute litigation to recover amounts due under
942 an insurance policy by offering substantially less than the amounts
943 ultimately recovered in actions brought by such insureds; (H)
944 attempting to settle a claim for less than the amount to which a
945 reasonable man would have believed he was entitled by reference to
946 written or printed advertising material accompanying or made part of
947 an application; (I) attempting to settle claims on the basis of an
948 application which was altered without notice to, or knowledge or
949 consent of the insured; (J) making claims payments to insureds or
950 beneficiaries not accompanied by statements setting forth the coverage
951 under which the payments are being made; (K) making known to
952 insureds or claimants a policy of appealing from arbitration awards in
953 favor of insureds or claimants for the purpose of compelling them to
954 accept settlements or compromises less than the amount awarded in
955 arbitration; (L) delaying the investigation or payment of claims by
956 requiring an insured, claimant, or the physician of either to submit a
957 preliminary claim report and then requiring the subsequent submission
958 of formal proof of loss forms, both of which submissions contain
959 substantially the same information; (M) failing to promptly settle claims,
960 where liability has become reasonably clear, under one portion of the
961 insurance policy coverage in order to influence settlements under other
962 portions of the insurance policy coverage; (N) failing to promptly
963 provide a reasonable explanation of the basis in the insurance policy in
964 relation to the facts or applicable law for denial of a claim or for the offer
965 of a compromise settlement; (O) using as a basis for cash settlement with
966 a first party automobile insurance claimant an amount which is less than
967 the amount which the insurer would pay if repairs were made unless
968 such amount is agreed to by the insured or provided for by the
969 insurance policy.

970 (7) Failure to maintain complaint handling procedures. Failure of any
971 person to maintain complete record of all the complaints which it has
972 received since the date of its last examination. This record shall indicate
973 the total number of complaints, their classification by line of insurance,
974 the nature of each complaint, the disposition of these complaints, and
975 the time it took to process each complaint. For purposes of this

976 subdivision "complaint" means any written communication primarily
977 expressing a grievance.

978 (8) Misrepresentation in insurance applications. Making false or
979 fraudulent statements or representations on or relative to an application
980 for an insurance policy for the purpose of obtaining a fee, commission,
981 money or other benefit from any insurer, producer or individual.

982 (9) Any violation of any one of sections 38a-358, 38a-446, 38a-447, 38a-
983 488, 38a-825, 38a-826, 38a-828 and 38a-829. None of the following
984 practices shall be considered discrimination within the meaning of
985 section 38a-446 or 38a-488 or a rebate within the meaning of section 38a-
986 825: (A) Paying bonuses to policyholders or otherwise abating their
987 premiums in whole or in part out of surplus accumulated from
988 nonparticipating insurance, provided any such bonuses or abatement of
989 premiums shall be fair and equitable to policyholders and for the best
990 interests of the company and its policyholders; (B) in the case of policies
991 issued on the industrial debit plan, making allowance to policyholders
992 who have continuously for a specified period made premium payments
993 directly to an office of the insurer in an amount which fairly represents
994 the saving in collection expense; (C) readjustment of the rate of premium
995 for a group insurance policy based on loss or expense experience, or
996 both, at the end of the first or any subsequent policy year, which may be
997 made retroactive for such policy year.

998 (10) Notwithstanding any provision of any policy of insurance,
999 certificate or service contract, whenever such insurance policy or
1000 certificate or service contract provides for reimbursement for any
1001 services which may be legally performed by any practitioner of the
1002 healing arts licensed to practice in this state, reimbursement under such
1003 insurance policy, certificate or service contract shall not be denied
1004 because of race, color or creed nor shall any insurer make or permit any
1005 unfair discrimination against particular individuals or persons so
1006 licensed.

1007 (11) Favored agent or insurer: Coercion of debtors. (A) No person
1008 may (i) require, as a condition precedent to the lending of money or

1009 extension of credit, or any renewal thereof, that the person to whom
1010 such money or credit is extended or whose obligation the creditor is to
1011 acquire or finance, negotiate any policy or contract of insurance through
1012 a particular insurer or group of insurers or producer or group of
1013 producers; (ii) unreasonably disapprove the insurance policy provided
1014 by a borrower for the protection of the property securing the credit or
1015 lien; (iii) require directly or indirectly that any borrower, mortgagor,
1016 purchaser, insurer or producer pay a separate charge, in connection
1017 with the handling of any insurance policy required as security for a loan
1018 on real estate or pay a separate charge to substitute the insurance policy
1019 of one insurer for that of another; or (iv) use or disclose information
1020 resulting from a requirement that a borrower, mortgagor or purchaser
1021 furnish insurance of any kind on real property being conveyed or used
1022 as collateral security to a loan, when such information is to the
1023 advantage of the mortgagee, vendor or lender, or is to the detriment of
1024 the borrower, mortgagor, purchaser, insurer or the producer complying
1025 with such a requirement.

1026 (B) (i) Subparagraph (A)(iii) of this subdivision shall not include the
1027 interest which may be charged on premium loans or premium
1028 advancements in accordance with the security instrument. (ii) For
1029 purposes of subparagraph (A)(ii) of this subdivision, such disapproval
1030 shall be deemed unreasonable if it is not based solely on reasonable
1031 standards uniformly applied, relating to the extent of coverage required
1032 and the financial soundness and the services of an insurer. Such
1033 standards shall not discriminate against any particular type of insurer,
1034 nor shall such standards call for the disapproval of an insurance policy
1035 because such policy contains coverage in addition to that required. (iii)
1036 The commissioner may investigate the affairs of any person to whom
1037 this subdivision applies to determine whether such person has violated
1038 this subdivision. If a violation of this subdivision is found, the person in
1039 violation shall be subject to the same procedures and penalties as are
1040 applicable to other provisions of section 38a-815, subsections (b) and (e)
1041 of section 38a-817 and this section. (iv) For purposes of this section,
1042 "person" includes any individual, corporation, limited liability
1043 company, association, partnership or other legal entity.

1044 (12) Refusing to insure, refusing to continue to insure or limiting the
1045 amount, extent or kind of coverage available to an individual or
1046 charging an individual a different rate for the same coverage because of
1047 physical disability, mental or nervous condition as set forth in section
1048 38a-488a or intellectual disability, except where the refusal, limitation or
1049 rate differential is based on sound actuarial principles or is related to
1050 actual or reasonably anticipated experience.

1051 (13) Refusing to insure, refusing to continue to insure or limiting the
1052 amount, extent or kind of coverage available to an individual or
1053 charging an individual a different rate for the same coverage solely
1054 because of blindness or partial blindness. For purposes of this
1055 subdivision, "refusal to insure" includes the denial by an insurer of
1056 disability insurance coverage on the grounds that the policy defines
1057 "disability" as being presumed in the event that the insured is blind or
1058 partially blind, except that an insurer may exclude from coverage any
1059 disability, consisting solely of blindness or partial blindness, when such
1060 condition existed at the time the policy was issued. Any individual who
1061 is blind or partially blind shall be subject to the same standards of sound
1062 actuarial principles or actual or reasonably anticipated experience as are
1063 sighted persons with respect to all other conditions, including the
1064 underlying cause of the blindness or partial blindness.

1065 (14) Refusing to insure, refusing to continue to insure or limiting the
1066 amount, extent or kind of coverage available to an individual or
1067 charging an individual a different rate for the same coverage because of
1068 exposure to diethylstilbestrol through the female parent.

1069 (15) (A) Failure by an insurer, or any other entity responsible for
1070 providing payment to a health care provider pursuant to an insurance
1071 policy, to pay accident and health claims, including, but not limited to,
1072 claims for payment or reimbursement to health care providers, within
1073 the time periods set forth in subparagraph (B) of this subdivision, unless
1074 the Insurance Commissioner determines that a legitimate dispute exists
1075 as to coverage, liability or damages or that the claimant has fraudulently
1076 caused or contributed to the loss. Any insurer, or any other entity

1077 responsible for providing payment to a health care provider pursuant
1078 to an insurance policy, who fails to pay such a claim or request within
1079 the time periods set forth in subparagraph (B) of this subdivision shall
1080 pay the claimant or health care provider the amount of such claim plus
1081 interest at the rate of fifteen per cent per annum, in addition to any other
1082 penalties which may be imposed pursuant to sections 38a-11, as
1083 amended by this act, 38a-25, 38a-41 to 38a-53, inclusive, 38a-57 to 38a-
1084 60, inclusive, 38a-62 to 38a-64, inclusive, 38a-76, 38a-83, 38a-84, 38a-117
1085 to 38a-124, inclusive, 38a-129 to 38a-140, inclusive, 38a-146 to 38a-155,
1086 inclusive, 38a-283, 38a-288 to 38a-290, inclusive, 38a-319, 38a-320, 38a-
1087 459, 38a-464, 38a-815 to 38a-819, inclusive, 38a-824 to 38a-826, inclusive,
1088 and 38a-828 to 38a-830, inclusive. Whenever the interest due a claimant
1089 or health care provider pursuant to this section is less than one dollar,
1090 the insurer shall deposit such amount in a separate interest-bearing
1091 account in which all such amounts shall be deposited. At the end of each
1092 calendar year each such insurer shall donate such amount to The
1093 University of Connecticut Health Center.

1094 (B) Each insurer or other entity responsible for providing payment to
1095 a health care provider pursuant to an insurance policy subject to this
1096 section, shall pay claims not later than:

1097 (i) For claims filed in paper format, sixty days after receipt by the
1098 insurer of the claimant's proof of loss form or the health care provider's
1099 request for payment filed in accordance with the insurer's practices or
1100 procedures, except that when there is a deficiency in the information
1101 needed for processing a claim, as determined in accordance with section
1102 38a-477, the insurer shall (I) send written notice to the claimant or health
1103 care provider, as the case may be, of all alleged deficiencies in
1104 information needed for processing a claim not later than thirty days
1105 after the insurer receives a claim for payment or reimbursement under
1106 the contract, and (II) pay claims for payment or reimbursement under
1107 the contract not later than thirty days after the insurer receives the
1108 information requested; and

1109 (ii) For claims filed in electronic format, twenty days after receipt by

1110 the insurer of the claimant's proof of loss form or the health care
1111 provider's request for payment filed in accordance with the insurer's
1112 practices or procedures, except that when there is a deficiency in the
1113 information needed for processing a claim, as determined in accordance
1114 with section 38a-477, the insurer shall (I) notify the claimant or health
1115 care provider, as the case may be, of all alleged deficiencies in
1116 information needed for processing a claim not later than ten days after
1117 the insurer receives a claim for payment or reimbursement under the
1118 contract, and (II) pay claims for payment or reimbursement under the
1119 contract not later than ten days after the insurer receives the information
1120 requested.

1121 (C) As used in this subdivision, "health care provider" means a person
1122 licensed to provide health care services under chapter 368d, chapter
1123 368v, chapters 370 to 373, inclusive, 375 to 383c, inclusive, 384a to 384c,
1124 inclusive, or chapter 400j.

1125 (16) Failure to pay, as part of any claim for a damaged motor vehicle
1126 under any automobile insurance policy where the vehicle has been
1127 declared to be a constructive total loss, an amount equal to the sum of
1128 (A) the settlement amount on such vehicle plus, whenever the insurer
1129 takes title to such vehicle, (B) an amount determined by multiplying
1130 such settlement amount by a percentage equivalent to the current sales
1131 tax rate established in section 12-408. For purposes of this subdivision,
1132 "constructive total loss" means the cost to repair or salvage damaged
1133 property, or the cost to both repair and salvage such property, equals or
1134 exceeds the total value of the property at the time of the loss.

1135 (17) Any violation of section 42-260, by an extended warranty
1136 provider subject to the provisions of said section, including, but not
1137 limited to: (A) Failure to include all statements required in subsections
1138 (c) and (f) of section 42-260 in an issued extended warranty; (B) offering
1139 an extended warranty without being (i) insured under an adequate
1140 extended warranty reimbursement insurance policy, or (ii) able to
1141 demonstrate that reserves for claims contained in the provider's
1142 financial statements are not in excess of one-half the provider's audited

1143 net worth; (C) failure to submit a copy of an issued extended warranty
1144 form or a copy of such provider's extended warranty reimbursement
1145 policy form to the Insurance Commissioner.

1146 (18) With respect to an insurance company, hospital service
1147 corporation, health care center or fraternal benefit society providing
1148 individual or group health insurance coverage of the types specified in
1149 subdivisions (1), (2), (4), (5), (6), (10), (11) and (12) of section 38a-469,
1150 refusing to insure, refusing to continue to insure or limiting the amount,
1151 extent or kind of coverage available to an individual or charging an
1152 individual a different rate for the same coverage because such
1153 individual has been a victim of domestic violence, as defined in section
1154 17b-112a.

1155 (19) With respect to a property and casualty insurer delivering,
1156 issuing for delivery, renewing, amending, continuing or endorsing a
1157 property or casualty insurance policy, making any distinction or
1158 discrimination against an individual in delivering, issuing for delivery,
1159 renewing, amending, continuing, endorsing, offering, withholding,
1160 cancelling or setting premiums for such policy, or in the terms of such
1161 policy, because the individual has been a victim of domestic violence, as
1162 defined in section 17b-112a.

1163 (20) With respect to an insurance company, hospital service
1164 corporation, health care center or fraternal benefit society providing
1165 individual or group health insurance coverage of the types specified in
1166 subdivisions (1), (2), (3), (4), (6), (9), (10), (11) and (12) of section 38a-469,
1167 refusing to insure, refusing to continue to insure or limiting the amount,
1168 extent or kind of coverage available to an individual or charging an
1169 individual a different rate for the same coverage because of genetic
1170 information. Genetic information indicating a predisposition to a
1171 disease or condition shall not be deemed a preexisting condition in the
1172 absence of a diagnosis of such disease or condition that is based on other
1173 medical information. An insurance company, hospital service
1174 corporation, health care center or fraternal benefit society providing
1175 individual health coverage of the types specified in subdivisions (1), (2),

1176 (3), (4), (6), (9), (10), (11) and (12) of section 38a-469, shall not be
 1177 prohibited from refusing to insure or applying a preexisting condition
 1178 limitation, to the extent permitted by law, to an individual who has been
 1179 diagnosed with a disease or condition based on medical information
 1180 other than genetic information and has exhibited symptoms of such
 1181 disease or condition. For the purposes of this subdivision, "genetic
 1182 information" means the information about genes, gene products or
 1183 inherited characteristics that may derive from an individual or family
 1184 member.

1185 (21) Any violation of sections 38a-465 to 38a-465q, inclusive.

1186 (22) With respect to a managed care organization, as defined in
 1187 section 38a-478, failing to establish a confidentiality procedure for
 1188 medical record information, as required by section 38a-999.

1189 (23) Any violation of sections 38a-591d to 38a-591f, inclusive.

1190 (24) Any violation of section 38a-472j.

1191 (25) Any violation of section 38a-833.

1192 (26) Any violation of section 38a-834.

1193 (27) Any violation described in subsection (a) of section 10 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2022	38a-1
Sec. 2	October 1, 2022	38a-398
Sec. 3	October 1, 2022	New section
Sec. 4	October 1, 2022	New section
Sec. 5	October 1, 2022	New section
Sec. 6	October 1, 2022	New section
Sec. 7	October 1, 2022	New section
Sec. 8	October 1, 2022	New section
Sec. 9	October 1, 2022	New section
Sec. 10	October 1, 2022	New section
Sec. 11	October 1, 2022	New section

Sec. 12	October 1, 2022	38a-11(a)
Sec. 13	October 1, 2022	38a-792(d)
Sec. 14	October 1, 2022	38a-816

Statement of Legislative Commissioners:

In Section 14(27), "except as provided in subsection (c) of section 10 of this act" was deleted for clarity.

INS *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Insurance Dept.	GF - Revenue Gain	Approx. 108,000	Approx. 108,000
Insurance Dept.; Department of Revenue Services	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill modifies existing law governing travel insurance and results in a revenue gain of approximately \$216,000 to the General Fund over two fiscal years. The bill changes the frequency of license renewals for limited lines travel insurance producers from every two years to every year, without changing the \$650 license renewal fee (or "authorization fee" under the bill). There are 334 limited lines travel insurance producers currently licensed by the Insurance Department.

To the extent the adoption of provisions from the National Conference of Insurance Legislators Travel Insurance Model Act makes the state a more favorable place to write and sell travel insurance, there is a potential revenue gain from new license fees for insurers (\$220) and limited lines travel insurance producers (\$750), as well as from the state's 1.5% premium tax on any additional direct written premiums.

The bill is not anticipated to change collection of the state's 1.5% premium tax on existing travel insurance premiums because the bill codifies current practice regarding allocation between jurisdictions. The

bill also requires the Insurance Department to adopt implementing regulations, which has no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of limited lines travel insurance producers that renew authorizations, the number of any additional travel insurance companies or limited lines producers authorized, and the amount of any additional travel insurance premiums written.

OLR Bill Analysis**HB 5411*****AN ACT CONCERNING TRAVEL INSURANCE.*****SUMMARY**

This bill adds new requirements for travel insurers, travel insurance producers, and travel retailers (i.e., individuals and businesses who underwrite, sell, offer, or market travel insurance). Generally, travel insurance provides coverage for certain travel related losses, such as trip cancellation or lost baggage. Among other things, the bill:

1. establishes several new consumer protections and disclosure requirements, such as prohibiting selling travel insurance in an “opt-out” manner, providing a mandatory cancellation period, and requiring “travel administrators” (i.e., people or businesses underwriting travel insurance, collecting premiums, or settling claims) to be licensed in Connecticut;
2. explicitly requires insurers to pay the state’s premium tax on travel insurance premiums they collect, conforming to current practice, and describes how insurers should allocate this tax if they are subject to multiple taxing jurisdictions;
3. authorizes selling travel protection plans (i.e., a plan that includes travel insurance, travel assistance services, or cancellation waivers); and
4. increases the insurance commissioner’s enforcement powers, including for non-travel insurance related violations, and specifies certain actions that violate the Connecticut Unfair Insurance Practice Act (CUIPA, see BACKGROUND) or the Connecticut Unfair Trade Practices Act (CUTPA, see BACKGROUND).

The bill also (1) exempts travel administrators and their employees from a provision in existing law that prohibits unlicensed individuals from adjusting claims; and (2) requires the commissioner to adopt implementing regulations for the bill's provisions.

EFFECTIVE DATE: October 1, 2022

§§ 1, 2, 4 & 12 — TRAVEL INSURANCE REGULATORY STRUCTURE

The bill expands the definition of "travel insurance" to include coverage for event or travel cancellations or interruptions, the repatriation of remains, emergency evacuation, and any other travel related obligation that the commissioner determines by regulations. Under current law and the bill, travel insurance also includes coverage for a trip cancellation or interruption; lost baggage or personal property; damaged rental vehicles or accommodations; or if the insured suffers a sickness, accident, disability, or death during travel.

The bill also specifies that the following products are not travel insurance:

1. major medical plans providing comprehensive protection for travelers with trips lasting more than six months, including plans covering expatriate travelers working or living outside the U.S.;
2. any products requiring a specific insurance producer license; and
3. a cancellation fee waiver.

A "cancellation fee waiver" is a contractual agreement between a travel services supplier and a consumer to waive some or all of a nonrefundable cancellation fee associated with a travel contract.

The bill retains almost all the existing regulatory structure for travel insurance. As under current law, the bill:

1. requires individuals or businesses to apply to the insurance commissioner for permission to act as a limited lines travel insurance producer (the bill terms this "authorization," while

current law describes it as a “license,” but the application, renewal, and regulatory structure is the same);

2. imposes certain restrictions on travel retailers (i.e., businesses making, arranging, or offering travel services), including that they be designated by a licensed (or, under the bill, authorized) producer if they do not employ one or are not licensed to sell insurance in Connecticut;
3. establishes nearly identical criteria for the insurance commissioner to approve or deny applications;
4. establishes identical registration requirements for limited lines travel producers that are businesses, including the same employee education and consumer disclosure requirements; and
5. allows, under identical circumstances as current law, unlicensed individuals or businesses to offer travel insurance.

However, the bill (1) deems any insurance producer licensed for a major line (e.g., life, health, or property and casualty insurance) as also authorized to sell, solicit, and negotiate travel insurance in Connecticut and (2) specifies that any insurance producer licensed in Connecticut for property and casualty insurance lines is not required to obtain authorization to sell, solicit, or negotiate travel insurance through a licensed insurer.

Under the bill, authorizations to act as a limited lines travel insurance producer to sell or offer travel insurance must be renewed annually. Existing law requires licenses to be renewed biannually (CGS § 38a-784). The bill maintains the existing \$650 authorization renewal fee that current law imposes on license renewals. However, it requires this fee annually.

§ 3 — FILING TRAVEL INSURANCE POLICIES WITH THE DEPARTMENT

Generally, state law requires all types of insurance policies to be filed with the insurance department before use. The bill requires travel

insurance policies to be filed as a type of inland marine insurance, conforming to current practice. But it allows these policies to be filed as accident and health insurance if they cover sickness, accident, disability, or death occurring during a trip or travel, either exclusively or in conjunction with related coverages for evacuation, repatriation of remains, or incidental limited property and casualty benefits (e.g., lost luggage).

The bill allows the commissioner to prescribe eligibility and underwriting standards for travel insurance that (1) are based on travel protection plans designed for individual or identified marketing or distribution channels and (2) meet Connecticut's inland marine underwriting standards.

A "travel protection plan" is a plan that includes travel insurance, travel assistance services, or a cancellation fee waiver. "Travel assistance services" are noninsurance services including:

1. security advisories, destination information, and vaccine and immunization information services;
2. travel reservation services and entertainment, activity, and event planning;
3. translation assistance and emergency messaging;
4. international legal and medical referrals and medical case monitoring;
5. transportation arrangement coordination;
6. emergency cash transfer and medical prescription replacement assistance;
7. passport, lost luggage, and other travel assistance; and
8. concierge services and any other service furnished in connection with the trip or travel.

§ 5 — CONSUMER PROTECTIONS AND DISCLOSURES***Consistent with Insurance Policy***

The bill requires that all documents provided to a consumer before purchasing a travel insurance policy, including sales, advertising, and marketing materials, be consistent with the travel insurance policy including its forms, endorsements, rate filings, and certificates of insurance.

Additionally, the fulfillment materials for a travel protection plan, and the documents about any included travel insurance coverage, must disclose whether the travel protection plan is primary or secondary to other coverage.

Preexisting Conditions

The bill establishes additional disclosures for travel insurance policies or certificates that contain preexisting condition exclusions. In these cases, information about the exclusion must be provided to the consumer along with an opportunity to learn more. Additionally, the exclusion must be included in the fulfillment materials for any travel protection plan that includes travel insurance.

Specific Disclosure Documents

The bill requires that the following be provided to a consumer purchasing a travel protection plan as soon as practicable after the purchase:

1. the travel protection plan fulfillment materials;
2. a description or copy of the material terms of any included travel insurance coverage, including how to file a claim or review or cancel the coverage; and
3. the insurer issuing the travel insurance policy's identity and contact information.

Right to Cancel

The bill allows a consumer to cancel travel insurance coverage for a

full refund, as long as they have not departed on their trip or filed a claim, until at least (1) 15 days after the fulfillment materials are delivered by mail or (2) 10 days after they are delivered any other way.

Opt-Out Selling Prohibited

The bill prohibits offering, soliciting, or negotiating travel insurance or travel protection plans in an “opt-out” manner (i.e., in which someone would need to deselect or take other affirmative action to not purchase insurance.)

§ 6 — TRAVEL ADMINISTRATORS

Under the bill, an insurer is responsible for the conduct of any travel administrators that sell policies it underwrites, and must ensure that they make the insurer’s books and records available to the commissioner on request. A “travel administrator” is a person who, directly or indirectly (1) underwrites travel insurance; (2) collects travel insurance charges, collateral, or premiums; or (3) settles travel insurance claims for Connecticut residents. The bill prohibits any person from acting or holding themselves out to be a travel administrator in Connecticut unless they are a:

1. Connecticut-licensed property and casualty insurance producer,
2. managing general agent that is a licensed insurance producer and holds an appointment by a Connecticut insurer, or
3. licensed third-party administrator (TPA).

However, under the bill, travel administrators do not include the following:

1. anyone working for a travel administrator, to the extent the administrator supervises and controls their activities;
2. licensed insurance producers selling insurance or engaged in claims-related activities within the scope of their license;
3. designated travel retailers;

4. public adjusters or a lawyer settling a client's claim; or
5. business entities affiliated with a licensed insurer and administering their direct and assumed travel insurance business.

It is unclear to whom the travel administrator provisions apply. As described above, the bill requires travel administrators to be licensed casualty and property producers, managing general agents who are licensed producers, or TPAs. But the bill also excludes from the definition of "travel administrator" licensed insurance producers selling insurance or engaged in claims-related activities within the scope of their license.

§ 7 — TRAVEL PROTECTION PLANS

The bill authorizes selling "travel protection plans," which are travel plans that include travel insurance, travel assistance services (e.g., travel reservations, entertainment, translation assistance, medical prescription replacement, and destination vaccination information) or cancellation fee waivers.

Under the bill, a travel protection plan may be offered to a Connecticut consumer at a single price reflecting its combined features if it discloses to the consumer, at or before purchase, that:

1. it includes travel insurance, travel assistance services, and cancellation fee waivers, as applicable, and
2. they may obtain additional information and individual pricing and features for these services.

It must also provide an opportunity, at or before purchase, to obtain this additional information.

Fulfillment Materials

Additionally, travel protection plan fulfillment materials must, if applicable:

1. describe and delineate the travel insurance, travel assistance services and cancellation fee waivers, and provide the contact information of anyone providing the assistance or waiver and
2. include any travel insurance coverage disclosures the bill requires.

§ 8 — PREMIUMS TAX

The bill explicitly subjects insurers writing travel insurance to the applicable premium tax under state law, conforming with current practice. It requires domestic, foreign, and alien insurers to pay the same 1.5% premium tax on travel insurance premiums that existing law requires they pay on certain other policies protecting Connecticut risks. The bill specifies that the travel insurance premiums are subject to the tax when they are paid by:

1. an individual travel insurance policy's primary policyholder, if he or she lives in Connecticut;
2. a group travel insurance policy's primary certificate holder, if he or she lives in Connecticut; or
3. a blanket travel insurance policyholder (i.e., group travel insurance policy issued to eligible groups), if they are a Connecticut resident and maintain their principal place of business (or that of their affiliate or subsidiary) in Connecticut.

Under the bill, an "eligible group" is any two or more people engaged in common enterprise, or that have an economic, educational, or social affinity or relationship. These include vacation property owners, schools, employers, sports teams, camps, religious groups, and any other group the commissioner determines is in the public interest to be able to secure a blanket travel insurance policy.

Under the bill, a domestic, alien, or foreign insurer writing a blanket travel insurance policy that operates under rules across multiple taxing jurisdictions that allow it to allocate premiums across jurisdictions on

an apportioned basis and in a reasonable and equitable manner may subject its tax liability to the same premium allocation.

The bill requires insurers subject to the tax to:

1. document the state in which each primary policy or certificate holder, policy holder, affiliate, or subsidiary maintain their primary residence or principal place of business (or that of their affiliate or subsidiary), as applicable, and
2. report (presumably to the insurance commissioner) as premium only the amount allocable to travel insurance.

§§ 9, 10 & 14 — TRAVEL INSURANCE ENFORCEMENT

The bill allows the commissioner to suspend, revoke, or refuse to issue or renew an authorization, or to prohibit a travel retailer from acting as a designated travel retailer. He may also impose a civil penalty in accordance with existing insurance statutes. (By law, the penalty for violating an insurance law for which no other penalty is prescribed is a fine of up to \$15,000 (CGS § 38a-2).)

The bill allows him to take these actions against a limited lines travel insurance producer that:

1. provides incorrect, misleading, incomplete, or materially untrue information on an authorization application;
2. obtains or attempts to obtain authorization through misrepresentation or fraud; or
3. has their authorization denied, suspended, or revoked in another jurisdiction.

The commissioner may also take this enforcement action against limited lines travel insurance producers and travel retailers that:

1. violate any insurance law or any of the commissioner's regulations, subpoenas, or orders, or those of another state's

-
- insurance commissioner;
2. improperly withhold, misappropriate, or convert money or property received in the course of business;
 3. intentionally misrepresent travel insurance coverage terms, including in applications;
 4. have been convicted of a felony;
 5. admit to or are found to have committed an insurance unfair trade practice or fraud;
 6. use fraudulent, coercive, or dishonest practices, or demonstrate incompetence, untrustworthiness, or financial irresponsibility when conducting business in Connecticut or elsewhere;
 7. forge another's name to a travel insurance coverage application or a related document;
 8. fail to comply with an administrative or court ordered child-support order; or
 9. fail to pay state income tax or comply with an administrative or court order to do so.

Authorization Denials

The commissioner must notify an applicant or producer about why he denies an application or renewal. The applicant or producer may demand a hearing in writing within 30 days of the notice, which the commissioner must hold within 20 days after receiving the request. He must do so under existing law prescribing hearings and appeals to the commissioner. (Existing law requires the commissioner to hold the hearing within 30 days of a request. Presumably, the bill's 20-day limit applies with regard to travel insurance decisions and existing law governing insurance hearings applies with regard to other requirements not otherwise established under the bill (CGS § 38a-19).)

Enforcement Specific to Business Entities

The bill allows the commissioner to suspend, revoke, or refuse a business entity's authority to act as a limited lines travel insurance producer or designated travel retailer in Connecticut if the entity fails to act on knowledge that its employees or authorized representatives are violating the bill's provisions. Specifically, the commissioner may act if he finds, after a hearing, that an individual employee's or authorized representative's violation was known or should have been known by one of the business' partners, officers or managers and (1) the violation was not reported to the commissioner and (2) corrective action was not taken.

CUIPA and CUTPA Violations

Under current law, limited lines travel insurance producers who violate licensure and disclosure provisions are subject to penalties under CUIPA and travel retailers who violate them are subject to penalties under CUTPA. The bill instead makes the following violations enforceable under CUIPA:

1. any applicable violation of the bill's provisions relating to authorization, disclosures, travel protection plans, or enforcement by a limited lines travel insurance producer;
2. any applicable violation of the bill's travel administrator and premium tax provisions by an insurer;
3. offering or selling a travel insurance policy in Connecticut that is never required to pay a claim; or
4. representing to a consumer that coverage under a blanket travel insurance policy is free of charge.

The bill also makes the following actions CUTPA violations:

1. any applicable violation of the bill's provisions relating to authorization, disclosures, travel protection plans, or enforcement by a travel retailer or designated travel retailer; and
2. any applicable violation of the bill's travel administrator

provisions, by a travel administrator.

Exemptions

The bill exempts certain actions from the CUIPA and CUTPA provisions described above. Specifically, if a consumer's travel destination requires insurance coverage, a travel insurance producer or retailer may require the consumer to choose one of the following options as a precondition to purchasing a trip or travel package:

1. purchasing the coverage the destination requires through the designated travel retailer or limited lines insurance producer offering the trip or travel package; or
2. agreeing to obtain and provide proof of necessary coverage before traveling.

It also exempts offering travel insurance directly marketed to a consumer through an insurer's website or aggregator website (i.e., a website providing information on insurance products from multiple insurers), as long as the consumer can access all the applicable provisions and an accurate summary of the coverage on the website.

§ 9 — BROAD INSURANCE ENFORCEMENT

Under the bill, the commissioner retains his authority to enforce the provisions of, and impose any penalty or remedy authorized by, existing insurance law. Specifically, the bill allows him to do so against any person under investigation for, or charged with, an insurance law violation even if their authorization, designation, or registration has been surrendered or lapsed by law.

BACKGROUND

Connecticut Unfair Insurance Practices Act (CUIPA)

The law prohibits engaging in unfair or deceptive acts or practices in the business of insurance. It authorizes the insurance commissioner to conduct investigations and hearings, issue cease and desist orders, impose fines, revoke or suspend licenses, and order restitution for per se violations (i.e., violations specifically listed in statute). The law also

allows the commissioner to ask the attorney general to seek injunctive relief in Superior Court if he believes someone is engaging in other unfair or deceptive acts not specifically defined in statute.

Fines may be up to (1) \$5,000 per violation to a \$50,000 maximum or (2) \$25,000 per violation to a \$250,000 maximum in any six-month period if the violation was knowingly committed. The law also imposes a fine of up to \$50,000, in addition to or in lieu of a license suspension or revocation, for violating a cease-and-desist order.

Connecticut Unfair Trade Practices Act (CUTPA)

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the consumer protection commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease-and-desist orders, order restitution in cases involving less than \$10,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney’s fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable
Yea 17 Nay 0 (03/22/2022)