

# OFFICE OF FISCAL ANALYSIS

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sHB-5411

AN ACT CONCERNING TRAVEL INSURANCE.

As Amended by House "A" (LCO 6382), House "B" (LCO 6394)

House Calendar No.: 265

Senate Calendar No.: 558

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## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Insurance Dept.; Revenue Serv., Dept.	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 potential revenue gain to the state. 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 General Fund 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 Commissioner to establish regulations requiring public adjusters to meet continuing education requirements, which has no fiscal impact. It is anticipated that any continuing education program will be structured so that costs

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associated with the program will be incurred by the licensees.

House "A" eliminates an anticipated revenue gain by removing a requirement that limited lines travel insurance producers renew their authorization (and pay the \$650 renewal fee) annually rather than biennially, and makes other changes not anticipated to have a fiscal impact.

House "B" adds the provisions related to continuing education requirements for public adjusters, which has no fiscal impact.

### ***The Out Years***

The potential fiscal impact identified above would continue into the future subject to the actual number of additional travel insurance companies or limited lines travel insurance producers getting licensed and the amount of any additional travel insurance premiums written in the state.

*explanation and does 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.*