



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 943

PRINTER'S NO. 1121

PRIME SPONSOR: Phillips-Hill

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
Insurance Regulation and Oversight Fund	\$0	\$0

SUMMARY:

The legislation amends Act 26 of 2018, known as the Travel Insurance Modernization Act, to update the requirements for licensing and registration requirements.

ANALYSIS:

Senate Bill 943, Printer's Number 1121 amends the Travel Insurance Modernization Act as follows:

- Adds requirements allowing the Insurance Commissioner to issue limited lines travel insurance producer licenses to an individual or business entity which allows that producer to sell, solicit or negotiate travel insurance through a licensed insurer.
- Travel retailers and their employees are not subject to the insurance producer licensure requirements.
- The licensed limited lines travel insurance producers are subject to the grounds for suspension, revocation, and penalties.
- The licensed limited lines travel insurance producers must pay all applicable licensing fees.
- A person offering travel insurance to residents in the commonwealth is subject to Act 205 of 1974, known as the Unfair Insurance Practices Act.
- Allows the sale of travel protection plans.
- Updates requirements for marketing practices.
- Offering or selling illusory travel insurance that could never result in payment for any claims made under the policy is deemed to be an unfair practice under the Unfair Insurance Practices Act.
- For policies that include preexisting condition exclusions, information on the exclusions must be provided prior to the time of purchase and within the coverage materials provided to the purchaser.
- A person subject to these requirements cannot represent themselves as a travel administrator for travel insurance unless that person is a licensed property and casualty insurance producer, holds a valid managing general agent license, or holds a valid third-party administrator license.

The Insurance Commissioner may promulgate regulations to implement the provisions of this act.

The act shall take effect in 90 days.

FISCAL IMPACT:

The Department of Insurance currently reviews applications from limited lines travel producers and issues licenses. As a result, the revenue collected by the department from application fees is already included in the Insurance Regulation and Oversight Fund.

Additionally, the department expects that the requirements in this legislation may have a nominal increase to their administrative costs which can likely be covered as part of the current appropriation, which is funded by the Insurance Regulation and Oversight Fund.

Therefore, there is no net fiscal impact to the commonwealth.

PREPARED BY: Mara Perez, Senior Budget Analyst
House Appropriations Committee (D)

DATE: June 5, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.