

**AIG's Proposed Amendments to
Bill Section 11 (Travel Insurance) of H.515**

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On Behalf of American International Group, Inc.

1. Page 17, line 7

Revise proposed 8 V.S.A. § 7124(b) as follows:

(b) A travel retailer may offer and disseminate travel insurance under a limited lines travel insurance producer license only if the following conditions are met:

(1) The limited lines travel insurance producer or travel retailer provides to purchasers of travel insurance:

(A) a description of the material terms or the actual material terms of the insurance coverage ~~prior to purchase at time of purchase~~;

Rationale: The phrase "prior to purchase" makes H.515 inconsistent with § 4(B)(1) of the model. Furthermore, the addition of "prior to purchase" is also inconsistent with the language in new § 7127(c)(3)(A), which only requires this information to be provided "as soon as practicable following the purchase of a travel protection plan." Due to technological limitations, the actual terms of the coverage may not be available until after purchase. Also, prospective purchasers will be able to view a sample policy prior to purchase.

2. Page 25, line 2

Revise proposed 8 V.S.A. § 7127(c)(6) as follows:

(6) Where travel insurance is marketed directly to a consumer through an insurer's ~~or travel retailer's~~ website or by others through an aggregator site, it shall not be an unfair trade practice or other violation of law where an accurate summary or short description of coverage is provided on the web page, provided the consumer has access to the full provisions of the policy through electronic means.

Rationale: It is not clear that the Department has jurisdiction over retailer's websites, some of which may be regulated by other entities (including federal agencies), and this provision was only aimed at insurers and aggregators. As a practical matter when one purchases a travel insurance policy via a retailer such as an airline the retailer's website will invariably link the purchaser through to the insurer's website. Lastly, retailers such as airlines are unlikely to be willing to put the amount of content on their website that this provision would

require.

3. Page 27, line 2

Revise subsection (a) of proposed 8 V.S.A. § 7129 as follows:

(a) Notwithstanding any other provision ~~of this part~~ of this title to the contrary, travel insurance shall be classified and filed for purposes of rates and forms under an inland marine line of insurance; provided, however, that travel insurance that provides coverage for sickness, accident, disability, or death occurring during travel, either exclusively or in conjunction with related coverages such as emergency evacuation or repatriation of remains, or incidental limited property and casualty benefits such as baggage or trip cancellation, may be filed under either an accident and health line of insurance or an inland marine line of insurance.

Rationale: Section 9(A) of the Model calls for a reference to a state's entire insurance code, not just the new chapter dealing with travel insurance.