

2023 SENATE INDUSTRY AND BUSINESS

SB 2173

2023 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2173
1/25/2023

A bill relating to the sale and regulation of travel insurance; and to the licensing of limited lines travel insurance producers.

9:00 AM Chairman D. Larsen called the meeting to order. Members present: Chairman D. Larsen, Vice Chairman Kessel, Senator Barta, Senator Klein, Senator Boehm.

Discussion Topics:

- Travel insurance

9:01 AM Michael Byrne, representing the United States Travel Insurance Association, testified in favor of SB 2173. #15622

9:13 AM Steve Becker, Professional Insurance Companies of North Dakota, testified in favor of SB 2173. (verbal)

9:28 AM John Arnold, Deputy Insurance Commissioner, testified in neutral of SB 2173. (verbal)

Additional Testimony: Robert Gallagher #16558

9:29 AM Chairman D. Larsen closed the hearing.

Brenda Cook, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2173
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A bill relating to the sale and regulation of travel insurance; and to the licensing of limited lines travel insurance producers.

10:18 AM Chairman D. Larsen called the meeting to order. Members present: Chairman D. Larsen, Vice Chairman Kessel, Senator Barta, Senator Klein, Senator Boehm.

Discussion Topics:

- Travel insurance
- Committee action

10:18 AM Senator Klein moved to adopt the amendment to SB 2173. #23.0530.02001

10:18 AM Senator Barta seconded the motion to adopt the amendment to SB 2173.
23.0530.02001

10:19 AM Roll call vote to adopt the amendment.

Senators	Vote
Senator Doug Larsen	Y
Senator Greg Kessel	Y
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Jerry Klein	Y

Motion passed: 5-0-0

10:19 AM Senator Klein moved DO PASS AS AMENDED SB 2173.

10:19 AM Senator Barta seconded DO PASS AS AMENDED SB 2173.

10:20 AM Roll Call Vote for Do Pass as Amended.

Senators	Vote
Senator Doug Larsen	Y
Senator Greg Kessel	Y
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Jerry Klein	Y

Motion passed: 5-0-0

10:20 AM Senator Klein will carry the bill.

10:20 AM Chairman D. Larsen closed the committee work.

Brenda Cook, Committee Clerk

January 20, 2023

*AK
1-25-23
(1-1)*

PROPOSED AMENDMENTS TO SENATE BILL NO. 2173

Page 10, remove lines 2 through 18

Page 10, line 19, replace "26.1-58-04" with "26.1-58-03"

Page 11, line 1, replace "26.1-58-05" with "26.1-58-04"

Page 12, line 9, remove "A person offering, soliciting, or negotiating travel insurance or travel protection plans"

Page 12, remove lines 10 through 12

Page 12, line 13, remove "5."

Page 12, line 14, replace "6." with "5."

Page 12, line 22, replace "26.1-58-06" with "26.1-58-05"

Page 13, line 1, replace "26.1-58-07" with "26.1-58-06"

Page 13, line 8, replace "26.1-58-08" with "26.1-58-07"

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2173: Industry and Business Committee (Sen. Larsen, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2173 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 10, remove lines 2 through 18

Page 10, line 19, replace "**26.1-58-04**" with "**26.1-58-03**"

Page 11, line 1, replace "**26.1-58-05**" with "**26.1-58-04**"

Page 12, line 9, remove "A person offering, soliciting, or negotiating travel insurance or travel protection plans"

Page 12, remove lines 10 through 12

Page 12, line 13, remove "5."

Page 12, line 14, replace "6." with "5."

Page 12, line 22, replace "**26.1-58-06**" with "**26.1-58-05**"

Page 13, line 1, replace "**26.1-58-07**" with "**26.1-58-06**"

Page 13, line 8, replace "**26.1-58-08**" with "**26.1-58-07**"

Renumber accordingly

2023 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2173

2023 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

SB 2173
3/15/2023

Relating to the sale and regulation of travel insurance; and to amend and reenact section 26.1-26-54 of the North Dakota Century Code, relating to the licensing of limited lines travel insurance producers.

Chairman Louser called meeting to order 10:32 AM

Members Present: Chairman Louser, Vice Chairman Ostlie, Representatives Boschee, Christy, Dakane, Johnson, Kasper, Koppelman, Ruby, Schauer, Thomas, Tveit, Wagner, Warrey.

Discussion Topics:

- 3rd party administrator
- Requirements
- Premium volume

In Favor:

Michael Byrne, introduced and representing the United States Travel Insurance Association, #24240

Neutral:

John Arnold, Deputy Commissioner, ND Insurance Department (no written testimony)

Representative Kasper moved a do pass.

Representative Thomas seconded.

Roll call vote:

Representatives	Vote
Representative Scott Louser	Y
Representative Mitch Ostlie	Y
Representative Josh Boschee	AB
Representative Josh Christy	Y
Representative Hamida Dakane	Y
Representative Jorin Johnson	Y
Representative Jim Kasper	Y
Representative Ben Koppelman	Y
Representative Dan Ruby	Y
Representative Austen Schauer	Y
Representative Paul J. Thomas	Y
Representative Bill Tveit	AB
Representative Scott Wagner	Y

Representative Jonathan Warrey	AB
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Motion passed 11-0-3

Representative Kasper will carry the bill.

Additional written testimony:

Caren Alvarado, VP of Regulatory Affairs for Crum & Forster, #24328

Duke de Haas, VP and Deputy General Counsel at Allianz Global Assistance, #24355

Chairman Louser adjourned the meeting 11:00 AM

Diane Lillis, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2173, as engrossed: Industry, Business and Labor Committee (Rep. Louser, Chairman) recommends DO PASS (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2173 was placed on the Fourteenth order on the calendar.

TESTIMONY

SB 2173



Statement of Michael Byrne on behalf of UStiA
North Dakota Senate
Industry and Business Committee
Public Hearing
January 25, 2023

Committee Members—

My name is Michael Byrne and I represent the United States Travel Insurance Association (UStiA). The UStiA’s members include insurance carriers, third-party administrators, insurance agencies, and related businesses involved in the development, administration, and marketing of travel insurance and travel assistance products.

Travel insurance is a bit different from other lines of insurance, like homeowners or auto insurance. It’s a so-called “limited line” of insurance that protects against certain kinds of losses while traveling—so you’re covered if you lose your luggage, or your trip gets cancelled, or you get sick while traveling. It’s generally offered with non-insurance services like translation services, lost passport assistance, and related services.

Thank you for bringing SB 2173 before the Committee today. This legislation is important because it creates a framework specifically for the regulation of travel insurance—which is generally

subject to the insurance laws and regulations just like any other line of insurance coverage. Existing North Dakota statutes specifically address licensing and registration of travel insurance agents and travel retailers, in line with a model law adopted by the National Council of Insurance Legislators (NCOIL). SB 2173 builds on that licensing framework by codifying requirements for the sale of travel insurance, consistent with established industry practice and nearly identical model acts adopted by NCOIL and the National Association of Insurance Commissioners (NAIC).

Many of the issues addressed in the Model Act are practices and concepts that have been widely accepted by regulators for years. The Model codifies those practices and concepts, specifically clarifying them for travel insurance so that regulators and the industry are on the same page. Going forward, the hope is that there will be no confusion as to what is permitted and required under the law.

Adoption of the Model Act at NCOIL and NAIC included a comprehensive review and comment process, along with the general commitment of members of both organizations to support enactment of the Model in the states. Twenty-nine (29) other states have already enacted legislation based on these national Model Acts. Other states are currently considering enacting such legislation, and more are expected to follow. National, uniform legislation is very important given the nature of travel insurance. UStiA worked with the Insurance Department on the version of SB 2173 that appears before you today and includes amendments from the Insurance Department.

We urge you to approve this important legislation. Thank you again for your time today. I am happy to answer any questions.



American International Group, Inc.

Robert E. Gallagher
Senior Vice President & COO
Head of Travel
United States & Canada
AIG Travel
917-583-1693
robert.gallagher@aig.com

**Statement of Robert Gallagher on behalf of Travel Guard Group Inc.,
a subsidiary of AIG Travel, Inc.**

**North Dakota Senate
Industry and Business Committee
Public Hearing
*January 25, 2023***

Committee Members:

My name is Robert Gallagher and I represent Travel Guard, a subsidiary of AIG Travel, Inc. one of the world's leading travel insurance providers. We specialize in state-of-the-art travel insurance plans and assistance services for millions of leisure and business travelers around the world.

Thank you for bringing SB 2173 before the Committee today. This legislation brings North Dakota statutes in alignment with the Travel Insurance Model Act, a version which was approved by the National Council of Insurance Legislators (NCOIL) in 2017 and the National Association of Insurance Commissioners (NAIC) in 2018. This important legislation builds upon existing regulatory frameworks and distinguishes between insurance and non-insurance elements of travel protection plans in establishing the proper scope and reach of the regulatory framework.

SB 2173 would create an efficient, effective regulatory framework for travel insurance by clarifying current law to regulate the travel insurance industry in a manner that benefits consumers, empowers regulators, and ensures the marketplace operates fairly.



For these reasons, we support SB 2173, and we urge you to approve this legislation.

Thank you for your consideration.



Statement of Michael Byrne on behalf of USStiA
North Dakota House
Industry, Business and Labor Committee
Public Hearing
March 15, 2023

Committee Members—

My name is Michael Byrne and I represent the United States Travel Insurance Association (USStiA). The USStiA’s members include insurance carriers, third-party administrators, insurance agencies, and related businesses involved in the development, administration, and marketing of travel insurance and travel assistance products.

Travel insurance is a bit different from other lines of insurance, like homeowners or auto insurance. It’s a so-called “limited line” of insurance that protects against certain kinds of losses while traveling—so you’re covered if you lose your luggage, or your trip gets cancelled, or you get sick while traveling. It’s generally offered with non-insurance services like translation services, lost passport assistance, and related services.

Thank you for bringing SB 2173 before the Committee today. This legislation is important because it creates a framework specifically for the regulation of travel insurance—which is generally

subject to the insurance laws and regulations just like any other line of insurance coverage. Existing North Dakota statutes specifically address licensing and registration of travel insurance agents and travel retailers, in line with a model law adopted by the National Council of Insurance Legislators (NCOIL). SB 2173 builds on that licensing framework by codifying requirements for the sale of travel insurance, consistent with established industry practice and nearly identical model acts adopted by NCOIL and the National Association of Insurance Commissioners (NAIC).

Many of the issues addressed in the Model Act are practices and concepts that have been widely accepted by regulators for years. The Model codifies those practices and concepts, specifically clarifying them for travel insurance so that regulators and the industry are on the same page. Going forward, the hope is that there will be no confusion as to what is permitted and required under the law.

Adoption of the Model Act at NCOIL and NAIC included a comprehensive review and comment process, along with the general commitment of members of both organizations to support enactment of the Model in the states. Twenty-nine (29) other states have already enacted legislation based on these national Model Acts. Other states are currently considering enacting such legislation, and more are expected to follow. National, uniform legislation is very important given the nature of travel insurance. UStiA worked with the Insurance Department on the version of SB 2173 that appears before you today and includes amendments from the Insurance Department.

We urge you to approve this important legislation. Thank you again for your time today. I am happy to answer any questions.



March 13, 2023

Committee Members
North Dakota House
Industry, Business and Labor Committee

RE: Testimony in Support of SB 2173 Travel Insurance

Dear Committee Members:

Good afternoon. My name is Caren Alvarado and I am VP of Regulatory Affairs for Crum& Forster, a subsidiary of Fairfax Holdings. My organization has been writing travel insurance for many years and we are therefore very familiar with the unique intricacies of these products and the marketplace. I am also Co-Chair of the Law and Reg Committee for the US Travel Insurance Association (USTiA) that is comprised of a variety of organizations involved in the travel insurance industry.

I would like to thank the members for bringing SB 2173 before the Committee today and for allowing interested parties the opportunity to provide testimony in support of the Travel Bill.

This crucial legislation builds upon existing regulatory frameworks and further promotes a framework that works for everyone – regulators, consumers, and industry players alike, promoting a clear and level playing field with minimal negative disruption while promoting uniformity throughout the states. Both the industry and consumers will benefit from a nationwide consistent approach for travel protection plans that include insurance and non-insurance components. By incorporating this regulatory framework into your statute, you will ensure clarity and consistency is provided to the way travel insurance products are regulated.

This travel insurance legislation is good for all industry participants because going forward, we will have specific requirements applicable to travel insurance with which all players will have to comply, including new entrants to this growing market. The language before you today has been thoroughly vetted to ensure the legislation creates an efficient, effective regulatory framework for travel insurance that benefits consumers, empowers regulators, and ensures the marketplace operates fairly.

This legislation is aligned with the model law adopted by adopted by the National Council of Insurance Legislators (NCOIL) and the National Association of Insurance Commissioners (NAIC). Industry worked alongside the NAIC, NCOIL, Insurance Divisions of the various states, and the overall travel community for many years, leading to the NAIC's adoption of the model. We support the bill because it is good for consumers and industry participants alike. As previously noted, 29 other states have already enacted legislation based upon these Model Acts and several states are contemplating enacting similar legislation in the coming months.



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We respectfully request that you approve this important legislation. On behalf of Crum & Forster, thank you for your consideration of SB 2173 that will ensure the industry and consumers will benefit from a transparent framework for travel insurance as well as for your continued support of our industry.

Please let us know if you have any questions or we can provide any additional information.

Very truly yours,

Caren Alvarado, VP Regulatory Affairs & Compliance
Crum & Forster A&H Division
732.676.9819
caren.alvarado@cfins.com



Statement of Duke de Haas on behalf of Allianz Global Assistance
North Dakota House
Industry, Business and Labor Committee
Public Hearing
March 15, 2023

Committee Members—

My name is Duke de Haas, Vice President and Deputy General Counsel at Allianz Global Assistance (“Allianz”), which is a large travel insurance writer and administrator headquartered in Richmond, Virginia.

Thank you for bringing SB 2173 before the Committee today. This legislation is important because it creates a framework specifically for the regulation of travel insurance—which is generally subject to the insurance laws and regulations just like any other line of insurance coverage. Existing North Dakota statutes specifically address licensing and registration of travel insurance agents and travel retailers, in line with a model law adopted by the National Council of Insurance Legislators (NCOIL). SB 2173 builds on that licensing framework by codifying requirements for the sale of travel insurance, consistent with established industry practice and nearly identical model acts adopted by NCOIL and the National Association of Insurance Commissioners (NAIC).

Many of the issues addressed in the Model Act are practices and concepts that have been widely accepted by regulators for years. The Model codifies those practices and concepts, specifically clarifying them for travel insurance so that regulators and the industry are on the same page. Going forward, the hope is that there will be no confusion as to what is permitted and required under the law.

As noted by the UStiA in its counsel's testimony, twenty-nine (29) other states have already enacted legislation based on these national Model Acts. Other states are currently considering enacting such legislation, and more are expected to follow. National, uniform legislation is very important given the nature of travel insurance. Allianz appreciated the opportunity to work with the Insurance Department on the version of SB 2173 that appears before you today and includes amendments from the Insurance Department.

We respectfully request that you approve this important legislation. Thank you again for your time and effort spent on considering the travel insurance industry and this bill.