

Date: 6/25/18

Overview of the Travel MCAS Proposal Review and Rejection

The Center for Economic Justice (CEJ) submitted a proposal to add travel insurance MCAS data reporting on October 20, 2017.

During the October 26, 2017 Market Analysis Procedures (D) Working Group conference call, Birny Birnbaum presented the CEJ proposal:

- He provided 2016 statistics related to the sales of travel insurance in the United States
- Reported that the travel insurance market is rapidly growing
- Stated market regulation is currently limited to market conduct examinations when reviewing this business

Prior to the November 16, 2017 Market Analysis Procedures (D) Working Group call, comments opposing the travel MCAS proposal were received from the American Insurance Association (AIA) and the U.S. Travel Insurance Association (USTiA). The opposing comments included:

- Work is being done by the Travel Insurance (C) Working Group to develop a model law
- The travel insurance market is small compared to other MCAS reporting lines
- The regulatory framework for travel insurance is currently under review by state lawmakers
- Regulators and the travel insurance industry meets consumer expectations in a competitive market, and consequently has seen increased take rates and low complaint rates.

All comments including those received from Mr. Birnbaum in rebuttal of submitted arguments were discussed during the November 16 conference call. State regulators expressed hesitancy toward the travel insurance MCAS proposal:

- It would be good to review the travel insurance model law along with the included definitions prior to working on a travel insurance MCAS
- Travel insurance is ripe for MCAS reporting; however, with the number of unknowns at this time, it would be best to wait and not move forward with the development of a travel insurance MCAS at this time.

Comments were received from the USTiA prior to the December 14, 2017 Market Analysis Procedures (D) Working Group call. During the December 14 conference call, a motion was made to add travel insurance as an MCAS line of business. A roll call vote was conducted and the motion failed.

In summary, the proposal was submitted on October 20, 2017. The proposal was available for comment and discussion during the October and November Market Analysis Procedures (D) Working Group conference calls and was rejected by the Working Group during its December 2017 Working Group call.

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