Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4508 (Substitute S-1 as reported)
Sponsor: Representative Michael Webber
House Committee: Insurance
Ways and Means
Senate Committee: Insurance and Banking

CONTENT

The bill would add Chapter 12B (Travel Insurance) to the Insurance Code to do the following:

-- Allow travel insurance to be in the form of an individual, group, or blanket policy.
-- Require a travel insurer to pay a premium tax on travel insurance premiums paid by certain policyholders or certificate holders.
-- Allow travel protection plans to be offered for one price for the combined features that the travel protection plan offered in the State if certain conditions were met.
-- Require all documents provided to consumers before the purchase of travel insurance to be consistent with the travel insurance policy.
-- Require fulfillment materials to be provided to a policyholder or certificate holder as soon as practicable following the purchase of a travel protection plan.
-- All a policyholder or certificate holder to cancel a policy or certificate for a full refund of a travel protection plan price within certain time periods.
-- Specify that a person that offered travel insurance to Michigan residents would be subject to Chapter 20 (Unfair and Prohibited Trade Practices and Frauds) of the Code, and that if a conflict arose between Chapter 12B and other provisions of the Code, Chapter 12B would control.
-- Prescribe the scope of Chapter 12B.

The bill also would amend Chapter 12 of the Code to revise the definition of "travel insurance".

MCL 500.1202 et al. Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 11-9-20 Fiscal Analyst: Elizabeth Raczkowski

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.