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To the Members of the House Business, Labor, Economic, & Workforce Development Committee

HB 1185 Travel Insurance Regulation, SUPPORT/AMEND

Due to personal experience over quite a number of years (I always buy it when traveling except when going to see family, and as a person with a disability believe it essential), as well as serving as a director and consumer representative for the BBB, I have developed some expertise in travel insurance, and due to problems with one carrier in particular, had been asking the Insurance Commissioner's office to request legislation authorizing them to regulate travel insurance carriers. So I am thrilled to see this bill!

I have found the coverages and exclusions vary widely by carrier, and even policies within individual carriers, some carriers have hundreds of complaints, some the executives have had their licenses revoked in other lines of insurance and move to the travel insurance line as it is largely unregulated...and that some of the companies deliberately hire people to help write policies that have loopholes in them to get them out of paying claims.

A good example of one "travel insurance" policy, offered by a few airlines, only pays for delays and interruptions, if it is a "named" storm. So if it's anything but a hurricane, cyclone or typhoon, such as snow delays/cancellations, or even mechanical breakdown, it is not covered. Of course it is offered as for unexpected delays and cancellations, but without disclosure of the severe limitations, unless one gets a copy carefully reads the actual policy. How many people stop to download the policy and carefully read it when they click on the box to buy the insurance, when buying their plane tickets?

A few years ago, while on an extended trip we had saved years for, I was seriously injured, on the 2nd day, first leg, of a multi-leg trip and required medical evacuation home. We had spent some time researching travel insurance policies to make sure we got the best coverage for our possible needs. I learned there is a huge difference and disparity in travel policies, they are laid out in a manner that makes it difficult to compare, even as to what they do and do not cover, even for an insurance expert.

When we contacted the carrier, it took some time, difficulty and great expense (\$4/min) to get a hold of them as their "call collect" number was blocked from receiving collect calls from outside the US. They took 3 days to arrange the medical evacuation and refused to pay expenses incurred during their delay. They tried to break up the 3 of us for the trip home (my disabled brother, myself and our attendant) to save \$50. Then they burned us for thousands of dollars in unused airfare. Their advertizing said they covered unused airfare, but they had omitted the word "airfare" in one place, on page 13 of a 29 page, fine print policy, and by that omission they cover airfare for everything but if you had to "interrupt" your trip. They are the only carrier I have found with that exclusion/omission. Our only recourse would have been to sue them, in Delaware! Would any of you have detected the omission of one word in a complex, 29 page policy? I have attached a detail of the events.

On another trip, we needed the travel insurance company's assistance, a different company, and they were terrific. Responsive, caring, and made every effort to assure our needs were promptly met, care coordinated...

The purpose of these policies to protect consumers in the event of the unexpected, sad we have to protect consumers from those how are supposed to protect us, but obviously we must!

As a result, I would like to ask you for some additional consumer protections and would offer the following requirements to amend to HB 14-1185 for your consideration;

Technicalities should also include omissions (e.g. the word airline omitted in one place in a 36 page policy),

That all carriers MUST fully disclose any exclusions to coverage, or any circumstances in which they will not pay a claim or portion of a claim,

Any vagueness in a policy should be interpreted in a light most favorable to the consumer,

If there are exceptions to coverages they advertize, they must clearly disclose those exceptions in their advertizing, e.g. my situation, they advertized they cover unused airfare, but then they don't when it is related to a trip interruption or medical evacuation, by omitting one word in the policy.

They may not exclude pre-existing conditions, or at least impose extensive restriction on exclusions. They are just about the only carriers left who can still exclude pre-existing medical conditions.

There be a clear, plain language, uniform summary of coverages and exclusions form, developed by the Commissioner, to allow consumers to readily compare policies, which must be provided to any consumer shopping for a policy.

That any carrier whom additional or specific information has been requested, must provide a clear written reply, which will be binding, and the request may be made verbally, by phone or in person.

That any travel provider offering travel insurance policies issued by another company (e.g. airlines, travel agents, etc.) is equally responsible for prompt claims handling and payment. That will encourage them to make sure they are offering a quality product from a reputable carrier, not just basing it on which carrier pays the best commissions.

That any carrier seeking to offer policies to CO residents must demonstrate financial stability or adequate reinsurance from a financially stable company.

Any person who has had a license in any line of insurance, that has been subject to revocation or surrendered their license in lieu of suspension or revocation, my not serve in any capacity with a carrier.

The Commissioner be authorized to develop and implement rules to provide additional consumer protections if they deem necessary, of their own volition, or based on complaints or requests from consumers.

If the consumers are without private health insurance (that also includes medical evacuations), we REALLY want them to buy it and alleviate the risk to the taxpayers if an injury or illness occurs while they are traveling.

To give you additional details as to my own experience;

A few years ago, while on an extended trip we had saved years for, I was injured, on the 2nd day, first leg, of a multi-leg trip and required medical evacuation home. We had spent quite some time researching travel insurance policies to make sure we got the best, most appropriate coverage for our possible needs. I learned there is a huge difference and disparity in travel policies, and they are laid out in a manner that makes it difficult to compare, even just what they do and do not cover, even for an insurance expert.

The first thing that happened was great difficulty in even getting them on the phone. They had provided a number to call collect from anywhere in the world in the event of needing their assistance, which turned out to be blocked from receiving international collect calls! I had to spend nearly \$4/min to call them, and then sat in their stacker for quite some time, resulting in very expensive phone calls to get their assistance, which they refused to cover, nor the \$20/day for internet in the hotel we finally bought so I could use Skype to call them.

Next was them hassling me about wanting to go to the ER, even though I believed I had broken my ankle, and they wanted me to wait a couple of days until they could get me in to see one of the doctors in their network. When I did go to the ER, it turned out I had severely torn 4 ligaments in my ankle, it was quite serious and likely required surgery. The doctor ordered I go home to see my own orthopedist, as soon as possible. Many of you know me, I don't scare easily, but admit I was. Injured, possibly quite severely, what limited ability I have to walk endangered, thousands of miles from home in a foreign country, and the insurance company I bought a policy from to help allay fears of something bad happening, and assist if it did, contributing to my anxiety by trying to avoid their responsibilities and abandon me (and were really nasty). This would have been terrifying for any traveler.

It took 3 days for them to finally arrange for the medical evacuation home for me, hassled us about providing for our attendant/son to travel home with me (even though the policy specifically covered attendant/companion in an evacuation), and then wanted to leave my disabled brother behind to fend for himself (we were sharing an attendant) in a foreign country. The policy covered travel home in the event if your traveling companions had to terminate their travel. Then they wanted to send him home on a different flight because it was (nominally) cheaper.

Then we filed a claim to cover the costs of the trip so we could try and go again after I had recovered. They refused to cover any of our unused airfare (about 80% of our airfare costs), as while the policy covered unused airfare for nearly every eventuality, they had simply omitted the word "airfare" under "Trip Interruption" coverage, on page 13 of a 29 page policy, even though it was listed under every other portion of coverage, and of course all their advertizing stated they covered "unused airfare". To date, we have never found another carrier that does not cover unused airfare in those circumstances. They also refused to cover our expenses for the 3 days between the time the doctor said I had to go home and they finally made the arrangements to get us there. For the three of us, it cost us thousands of dollars.

On another trip, when we had an urgent medical issue, the carrier was very easy to reach (1 call), addressed the issue quickly, promptly and professionally, their policy was laid out so it was easy to understand, and clearly delineated what was and was not covered, in plain, simple terms.

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