

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.1289 Offering or selling travel insurance; subject to unfair and prohibited trade practices and frauds; fulfillment materials; cancellation policy.

Sec. 1289.

(1) Except as otherwise provided in this section, a person that offers travel insurance to residents of this state is subject to chapter 20. If there is a conflict between this chapter and other provisions of this act regarding the sale and marketing of travel insurance and travel protection plans, this chapter controls.

(2) Offering or selling a travel insurance policy that could never result in payment of any claims for an insured under the policy is an unfair trade practice under chapter 20.

(3) All documents provided to consumers before the purchase of travel insurance, including, but not limited to, sales materials, advertising materials, and marketing materials, must be consistent with the travel insurance policy, including, but not limited to, forms, endorsements, policies, rate filings, and certificates of insurance.

(4) For travel insurance policies or certificates that contain preexisting condition exclusions, information and an opportunity to learn more about the preexisting condition exclusions must be provided any time before the time of purchase, and in the coverage's fulfillment materials.

(5) The fulfillment materials must be provided to a policyholder or certificate holder as soon as practicable following the purchase of a travel protection plan. Unless the insured has either started a covered trip or filed a claim under the travel insurance coverage, a policyholder or certificate holder may cancel a policy or certificate for a full refund of the travel protection plan price from the date of purchase of the travel protection plan until at least either of the following:

(a) Fifteen days following the date of delivery of the travel protection plan's fulfillment materials by postal mail.

(b) Ten days following the date of delivery of the travel protection plan's fulfillment materials by means other than postal mail.

(6) A company shall disclose in the policy documentation and fulfillment materials whether the travel insurance is primary or secondary to other applicable coverage.

(7) If travel insurance is marketed directly to a consumer through an insurer's website or by others through an aggregator site, it is not an unfair trade practice or other violation of law if both of the following apply:

(a) An accurate summary or short description of coverage is provided on the webpage.

(b) If the consumer has access to the full provisions of the policy through electronic means.

(8) A person that offers, solicits, or negotiates travel insurance or travel protection plans on an individual or group basis shall not use a negative option or opt-out, that would require a consumer to take an affirmative action to deselect coverage, such as unchecking a box on an electronic form when the consumer purchases a trip.

(9) If a consumer's destination jurisdiction requires insurance coverage, it is not an unfair trade practice to require that a consumer choose between any of the following options as a condition of purchasing a trip or travel package:

(a) Purchasing the coverage required by the destination jurisdiction through the travel insurance producer supplying the trip or travel package.

(b) Agreeing to obtain and provide proof of coverage that meets the destination jurisdiction's requirements before departure.

(10) As used in this section, "delivery" means handing fulfillment materials to the policyholder or certificate holder or sending fulfillment materials by postal mail or electronic means to the policyholder or certificate holder.

History: Add. 2020, Act 266, Imd. Eff. Dec. 29, 2020

Popular Name: Act 218