



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
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BILL HASLAM
GOVERNOR

JULIE MIX McPEAK
COMMISSIONER

BULLETIN 16-02

TO: All Licensed Insurance Companies and Producers
FROM: Julie Mix McPeak, Commissioner *Julie Mix McPeak*
RE: Opt-out Travel Insurance is an Unfair Trade Practice
DATE: August 3, 2016

The Department has been made aware that specific impermissible practices related to the sale of travel insurance are occurring in this State, and have become a nationwide issue. Specifically, companies offering travel services are requiring consumers to opt-out of the purchase of travel insurance when purchasing flights or other travel arrangements. Under this practice, the travel insurance is automatically selected to be purchased and the consumer must affirmatively opt-out of the coverage, i.e. de-select the option, or they will be automatically enrolled and the charge will be added to their overall travel costs.

The Department takes the position that such practices involving the automatic enrollment and charge to a consumer for travel insurance unless they affirmatively take action to opt-out of the purchase constitutes an unfair trade practice in the business of insurance in violation of Tenn. Code Ann. § 56-8-104(2). Violators will be subject to the appropriate penalties under Tennessee insurance laws.

Any questions regarding the intent of this Bulletin should be directed to the Insurance Division's Consumer Insurance Services Section, 6th Floor, Davy Crockett Tower, 500 James Robertson Parkway, Nashville, Tennessee, 37243, and/or (615) 741-2218.