

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5051
MINORITY (202) 225-5074

<http://oversight.house.gov>

March 4, 2020

Mr. Robert Gallagher
Chief Executive Officer
Travel Guard Group, Inc.
3300 Business Park Drive
Stevens Point, WI 54482

Dear Mr. Gallagher:

The Subcommittee on Economic and Consumer Policy is examining whether travel insurance products provide adequate coverage for consumers who cancel travel due to the novel coronavirus (COVID-19). I invite you to testify at a hearing at 2:00 p.m. on Wednesday, March 11, 2020, in Room 2154 of the Rayburn House Office Building on this timely matter.

The Centers for Disease Control and Prevention (CDC) has issued travel advisories, advising against travel to China, Iran, South Korea, Italy, and Japan.¹ CDC has also issued precautions for air travel and cruises which will dissuade reasonable consumers from traveling due to fear of infection.²

CDC recommends that concerned consumers purchase travel insurance from companies like yours. CDC suggests that “trip cancellation insurance can protect your financial investment in a trip if you need to change your itinerary in the event of an international outbreak.”³ CDC even offers the helpful example: “Trip cancellation insurance might help ensure you are able to make a last-minute cancellation or change your itinerary in the event of an international outbreak, such as the current outbreak of Zika.”⁴

¹ Centers for Disease Control and Prevention, *Coronavirus Disease 2019, Information for Travel* (Mar. 3, 2020) (online at www.cdc.gov/coronavirus/2019-ncov/travelers/index.html).

² Centers for Disease Control and Prevention, *Coronavirus Disease 2019 (COVID-19) Travel: Frequently Asked Questions* (Mar. 3, 2020) (online at www.cdc.gov/coronavirus/2019-ncov/travelers/faqs.html#air-cruise-travel).

³ *Id.*

⁴ Centers for Disease Control and Prevention, *Travelers' Health* (Mar. 26, 2019) (online at wwwnc.cdc.gov/travel/page/insurance).

However, in contrast to CDC's characterization of the helpfulness of travel insurance in the case of international outbreak of disease, reports indicate that travel insurance companies may not be covering the costs of coronavirus-related travel cancellations.⁵

Specifically, your company's "Coronavirus Advisory" webpage states, "Trip cancellation for concern or fear of travel associated with sickness, epidemic, or pandemic is not covered." It also asserts that coronavirus was "a known risk" on January 24, 2020, and, as such, any claim arising from Coronavirus may not be covered if the policy was purchased or the trip was arranged on or after January 24, 2020.⁶

The Subcommittee is concerned that your policy to deny indemnification to your consumers who choose to refrain from travel to protect themselves, their families, and their communities may worsen the coronavirus pandemic.

At the hearing, we will offer you the opportunity to explain publicly why your company may deny coverage for those who choose not to travel because of the coronavirus.

The Committee on Oversight and Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X.

If you have any questions regarding this request, please contact Committee staff at (202) 225-5051.

Sincerely,



Raja Krishnamoorthi
Chairman
Subcommittee on Economic and Consumer Policy

Enclosure

cc: The Honorable Michael Cloud, Ranking Member

⁵ *Why Your Travel Insurance Might Not Cover the Coronavirus*, Vox (Mar. 4, 2020) (online at bevox.com/the-goods/2020/3/4/21163320/travel-flight-insurance-coronavirus-coverage-cancellation).

⁶ *Coronavirus Advisory Page*, Travel Guard (Feb. 21, 2020) (online at www.travelguard.com/travel-news/coronavirus-advisory).

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March 4, 2020

Mr. Michael Nelson
President and Chief Executive Officer
Allianz Global Assistance USA
9950 Maryland Drive
Richmond, VA 23233

Dear Mr. Nelson:

The Subcommittee on Economic and Consumer Policy is examining whether travel insurance products provide adequate coverage for consumers who cancel travel due to the novel coronavirus (COVID-19). I invite you to testify at a hearing at 2:00 p.m. on Wednesday, March 11, 2020, in Room 2154 of the Rayburn House Office Building on this timely matter.

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CDC recommends that concerned consumers purchase travel insurance from companies like yours. CDC suggests that “trip cancellation insurance can protect your financial investment in a trip if you need to change your itinerary in the event of an international outbreak.”³ CDC even offers the helpful example: “Trip cancellation insurance might help ensure you are able to make a last-minute cancellation or change your itinerary in the event of an international outbreak, such as the current outbreak of Zika.”⁴

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³ *Id.*

⁴ Centers for Disease Control and Prevention, *Travelers' Health* (Mar. 26, 2019) (online at wwwnc.cdc.gov/travel/page/insurance).

However, in contrast to CDC's characterization of the helpfulness of travel insurance in the case of international outbreak of disease, reports indicate that travel insurance companies may not be covering the costs of coronavirus-related travel cancellations.⁵

Specifically, your company's "Coverage Alert – 2019 Novel Coronavirus (2019-nCoV)" indicates that coronavirus is an "Epidemic," and that "many travel protection plans exclude losses caused directly or indirectly by an Epidemic." It also asserts that "the Coronavirus became a known event on January 22, 2020. Travel protection plans generally exclude losses caused by events that were known or foreseeable at the time the plan is purchased."⁶

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Chairman
Subcommittee on Economic and Consumer Policy

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⁶ *Coverage Alert – 2019 Novel Coronavirus (2019-nCoV) Page*, Allianz Global Assistance (online at www.allianztravelinsurance.com/coverage-alerts/2019-novel-coronavirus.htm) (accessed Mar. 4, 2020).

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March 4, 2020

Mr. Christopher Carnicelli
Chief Executive Officer
Generali Global Assistance, Inc.
80 State Street
Albany, NY 12207

Dear Mr. Carnicelli:

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⁴ Centers for Disease Control and Prevention, *Travelers' Health* (Mar. 26, 2019) (online at wwwnc.cdc.gov/travel/page/insurance).

However, in contrast to CDC's characterization of the helpfulness of travel insurance in the case of international outbreak of disease, reports indicate that travel insurance companies may not be covering the costs of coronavirus-related travel cancellations.⁵

Specifically, your company's "Coronavirus (COVID-19) Outbreak Travel Insurance Notice and FAQs" webpage states that most of your plans "will not cover fear of travel." It also asserts that the "Coronavirus outbreak event is considered a foreseeable event under any plans purchased on or after January 29, 2020."⁶

The Subcommittee is concerned that your policy to deny indemnification to your consumers who choose to refrain from travel to protect themselves, their families, and their communities may worsen the coronavirus pandemic.

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⁶ *Coronavirus (COVID-19) Outbreak Travel Insurance Notice and FAQs Page*, Generali Global Assistance (Mar. 2, 2020) (online at www.generalitravelinsurance.com/position-statements/coronavirus.html).