

## SUMMARY OF NEW TRAVEL INSURANCE EXAMINATION STANDARDS

- Created a new chapter: Chapter 21A – Conducting the Property and Casualty Travel Insurance Examination
- For the business area “**Operations/Management**,” a placeholder was left for adding a standard if one is needed. [*We did not identify any new standards for this item.*]
- For the business area “**Complaint Handling**,” a placeholder was left for adding a standard if one is needed. [*We did not identify any new standards for this item.*]
- For the business area “**Marketing and Sales**,” several new items were identified. [*For each new item, the supporting citation from the Travel Insurance Model Act #632 is shown in the “Standard” block.*]
  - **Standard 1** All advertising and sales materials comply with applicable statutes, rules, and regulations. (*Retained most of the language from Chapter 20, Standard 1, but added some tailoring for travel insurance.*)
  - **Standard 2** The disclosures regarding combinations of travel insurance and non-insurance travel assistance services are compliant with applicable statutes, rules, and regulations.
  - **Standard 3** The Limited Lines Travel Insurance Producer has established and maintains a register of each travel retailer that offers travel insurance on the producer’s behalf.
  - **Standard 4** The Limited Lines Travel Insurance Producer has documentation sufficient to demonstrate compliance that the travel retailers (acting under the Limited Lines Travel Insurance Producer’s license) comply with 18 USC §1033.
  - **Standard 5** Consumers are provided with information and an opportunity to learn more about the pre-existing condition exclusions (i) at any time prior to the purchase and (ii) in the fulfillment materials.
  - **Standard 6** Descriptions of the following are provided: (i) material or actual terms of the insurance coverage, (ii) process for filing a claim, (iii) review or cancellation process for the Travel Insurance policy and (iv) the identity and contact information of the insurer and Limited Lines Travel Insurance Producer.
  - **Standard 7** The Limited Lines Travel Insurance Producer has a program and procedures in place to instruct or train each employee and authorized representative of any travel retailer whose duties include offering and disseminating travel insurance under the Limited Lines Travel Insurance Producer’s license.
  - **Standard 8** The Limited Lines Insurance Producer has product-specific training standards and materials designed to provide travel retailers with adequate knowledge of the travel insurance products recommended prior to travel retailers offering or disseminating the sale of travel insurance products.
  - **Standard 9** The travel insurer has procedures in place to require its producers to comply with applicable travel retailer training requirements.
  - **Standard 10** The Limited Lines Travel Insurance Producer has designated a “Designated Responsible Producer.”
  - **Standard 11** Sales practices do not include “negative option or opt out.”
  - **Standard 12** Blanket coverage is not marketed or described as “free” coverage.
  - **Standard 13** If the aggregator’s website provides a short summary of the coverage, determine that the consumer has access to the full provisions of the policy by electronic means.
- For the business area “**Producer Licensing**,” one new standard was identified.
  - **Standard 1** Determine that the activities of a travel retailer, acting within the Limited Lines Travel Insurance Producer’s license, comply with applicable state statutes, rules and regulations pertaining to oversight of property and casualty travel insurance.
- For the business area, “**Policyholder Service**,” one new standard was identified.
  - **Standard 1** The content and delivery of fulfillment materials and the policy documentation comply with applicable state statutes, rules and regulations pertaining to oversight of property/casualty travel insurance.
- For the business area, “**Underwriting and Rating**,” two new standards were identified.
  - **Standard 1** Minimum data collection standards to ensure proper allocation of premium tax have been established.
  - **Standard 2** Product is regulated as inland marine insurance [*May not be necessary*].
- For the business area, “**Claims**,” one new standard was identified.
  - **Standard 1** Verify through the claims records that there is no evidence of “illusory coverage.”

G:\MKTREG\DATA\D Working Groups\D WG 2019 MCES (PCW)\Docs\_WG Calls 2019\Travel\Current Drafts\Summary Travel Exam Stds 5-22-19.docx