



September 30, 2019

Director Bruce R. Ramage, Chair
Russell Hamblen, Vice Chair
Market Conduct Examination Standards (D) Working Group
NAIC Central Office
1100 Walnut, Suite 1500
Kansas City, MO 64106-2197

Attn: Petra Wallace, Market Regulation Specialist

VIA Electronic Mail: pwallace@naic.org

RE: Revised Draft Travel Insurance Exam Standards

Dear Director Ramage and Mr. Hamblen:

The American Property Casualty Insurance Association (APCIA)¹ welcomes the opportunity to provide feedback on the draft Travel Insurance Exam Standards (Standards) for the Market Regulation Handbook (Handbook). APCIA appreciates the Market Conduct Examination Standards (D) Working Group's (Working Group) consideration of the interested parties' original comments and respectfully provides the following additional amendments for your consideration. While the suggestions are technical in nature, they have important meaning to a consistent interpretation of the Travel Insurance Model Law (Model Law).

Standard 1 – Page 7

The review procedures state that examiners "request and review specimens or actual copies of *all* of the brochures or written materials that are made available to prospective purchasers... (emphasis added)." We recommend deleting "all" because this will result in an incredible amount of material for review. Certainly, all materials must comply with the law; however, a meaningful sample could adequately evidence compliance without unnecessarily creating a burdensome and potentially duplicative review process. Eliminating "all" will provide examiners the flexibility to identify the level of review they are comfortable with.

Standard 1 – Page 9

The following suggestion is to add clarity: "Materials should not: . . . Make false, deceptive or misleading statements or representations with respect to any person, company or organization ~~in the conduct of travel or Limited Lines Travel Insurance Producer.~~ . . ."

Standard 1 – Page 9

Importantly, "is" should be replaced with "includes" in the following review criteria: "materials should . . . indicate that the travel plan being marketed is insurance." Travel protection plans, by definition, contain insurance, services and waivers, so it is not all insurance. We believe this verb change is an important

¹ Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, protecting families, communities, and businesses in the U.S. and across the globe.

clarification. Nevertheless, we understand the intent is to note that the insurance department does not have jurisdiction to review non-insurance products and would support additional commentary to reflect this principle.

Standard 7 – Page 15 and 16

APCIA appreciates the Working Group’s efforts to avoid confusion as to the review procedures for training obligations. Section 4(B)(6) requires travel insurance-specific training, but not training on every conceivable iteration of the insurers products that are offered. Standard 7 captures this concept, but in our assessment, there remains some potential for a misunderstanding in the review procedure and criteria. Without clarity a requirement to train on every iteration of a product could cause harm by fostering opportunities for confusion and misinformation.

We suggest the following changes:

Pg. 15 – “Review policies and procedures to ensure that the Limited Lines Travel Insurance Producer has adequate procedures in place to provide instruction and training, including product-specific training that is appropriate for the ~~specific product(s) or~~ types of insurance being offered.”

Page 16 – “Determine if the insurer ~~product-specific~~ training materials are appropriate and accurately reflect the coverage provided by the travel insurance product.

Thank you again for your consideration of industry feedback and the opportunity for additional commentary. We are pleased to discuss any of these recommendations in further detail, should you have questions or concerns.

Respectfully submitted,

Angela Gleason and Lisa Brown