



**mwe.com**

Michael Byrne  
Attorney at Law  
mbyrne@mwe.com  
+1 212 547 5388

March 12, 2025

**VIA EMAIL**

Petra Wallace  
Senior Market Regulation Specialist  
NAIC Central Office  
1100 Walnut Street, Suite 1500  
Kansas City, MO 64106-2197  
[pwallace@naic.org](mailto:pwallace@naic.org)

Re: Proposed Revisions to Chapter 21A of the NAIC Market Regulation Handbook

Dear Ms. Wallace:

We are writing on behalf of the U.S. Travel Insurance Association (“UStiA”)<sup>1</sup> regarding the proposed revisions to the National Association of Insurance Commissioners (“NAIC”) Market Regulation Handbook (“Handbook”). We appreciate the work done by the members of the NAIC Market Conduct Examination Guidelines (D) Working Group and the opportunity to offer these comments.

As explained in detail below, UStiA has concerns regarding several of the proposed revisions to Handbook Chapter 21A—Conducting the Property and Casualty Travel Insurance Examination.

**Marketing and Sales Standards**

**Standard 1**

First, the following proposed language under “Review Procedures and Criteria” is not found anywhere in the NAIC Travel Insurance Model Act (“Model Act”):

There should be a notation indicating the manner and extent of distribution and the form number of every brochure advertised.

---

<sup>1</sup> UStiA is the national association of the travel insurance industry. Its members include insurance carriers, third-party administrators, insurance agencies, and related businesses involved in the development, administration, and marketing of travel insurance and travel assistance products.

All advertisements should be maintained in the file for a period of either at least three (3) years from the date the advertisement was first used or later if required by applicable state statutes, rules and regulations.

In nearly all states, travel insurance advertisements are not required to be filed. Thus, an insurer will not have a corresponding “form number” as they would for filed and approved forms and rates. It appears this language may have come from accident and health advertising requirements, but travel insurance is a property and casualty product and not generally subject to these A&H requirements.

The basis for a three-year retention requirement is also unclear. The NAIC Unfair Trade Practices Act Section 7(A) has a two-year retention period (plus current year), but this Standard applies to travel insurers under the Model Act. We respectfully submit that any new substantive requirements be accomplished through revisions to the Model Act.

Finally, within the “Review Procedures and Criteria,” the basis for the proposed language stating that materials should not “offer unlawful rebates” is unclear. The Model Act does not specifically mention rebating, and we are not aware of any rebating issues related to travel insurance. The general prohibitions concerning misrepresentations and false, deceptive, or misleading statements should be sufficient.

### Standard 3

The proposed language under “Documents to be Reviewed” should be revised because it incorrectly suggests that the travel retailer maintains the register (i.e., of all travel retailers of the producer). Model Act Section 4(B)(2) requires the limited lines travel insurance producer to establish and maintain a register of its travel retailers. Accordingly, the second item under “Documents to be Reviewed” should be revised to read as follows: “The limited lines travel insurance producer’s register of each travel retailer that offers travel insurance on the limited lines travel insurance producer’s behalf.”

In addition, the first sentence of the third paragraph under “Review Procedures and Criteria” should be deleted as the travel retailer will not have possession of the register of the limited lines travel insurance producer. The second sentence should be amended to remove the reference to the *travel insurer* and instead read: “A random sample should be selected for review from the *limited lines travel insurance producer’s* register.” (emphasis added).

In the fourth paragraph under “Review Procedures and Criteria,” we also suggest revising the language at the beginning of the sentence that reads: “Reconcile the information received for compliance ....”, to instead say, “Confirm that the register includes the name, address and contact information of the travel retailer and an officer or person who directs or controls the travel retailer’s operations and the travel retailer’s Federal Tax Identification Number (FEIN).”

#### Standard 4

This Standard, which arises from Model Act Section 4(B)(2), pertains to compliance with 18 U.S.C. § 1033, but many of the proposed provisions concern advertisements and are not relevant to this Standard.

Specifically, under “Documents to be Reviewed,” we recommend deleting “travel insurer and producer training materials” and “travel insurer advertising and sales records.” Neither of these documents are related to this Standard, which is limited to ensuring that the limited lines travel insurance producer can demonstrate that the travel retailers it has registered are in compliance with 18 U.S.C. § 1033, as explained in more detail below.

Under “Review Procedures and Criteria,” we recommend deleting all but the first and third paragraphs. This Standard pertains to Model Act Section 4(B)(2), which requires that “[t]he limited lines travel insurance producer shall also certify that the travel retailer registered complies with 18 U.S.C. § 1033.” This is not an independent requirement to monitor advertising; rather, the requirement is that the travel retailer (and its principals) have not been convicted of certain enumerated violations of the law, as noted in 18 U.S.C. § 1033. Because these review procedures and criteria are not connected to the federal statutory reference (with the exception of the first and third paragraphs), we recommend the deletion of all but the first and third paragraphs under the Review Procedures and Criteria. See also our comments regarding advertising in response to Standard 1.

The second paragraph should also be deleted. That paragraph states, “[i]f the examiner is unable to obtain the information from the travel insurer or the limited lines travel insurance producer, the examiner may request the information directly from the travel retailer.” The certification requirement is the responsibility of the limited lines travel insurance producer, and the Model Act expressly provides for a limited role for, and thus limited regulatory oversight of, a travel retailer. Accordingly, we do not believe it is appropriate to seek this information from the travel retailer.

Further, the Model Act was extensively debated, and each substantive provision, including allocation of responsibility and compliance as to the insurer, limited lines travel insurance producer, and travel retailer was carefully crafted and heavily negotiated before the entire Model Act was voted on by the NAIC Travel Insurance (C) Working Group, the NAIC Property and Casualty Insurance (C) Committee, and ultimately by the NAIC Executive and Plenary.

#### Standard 8

Although we have no issue with the revision of the Standard itself, which essentially tracks Section 4(B)(3) of the Model Act, albeit in more detail, the “Review Procedures and Criteria” goes beyond the requirements of the Model Act and therefore should be modified as below.

First, it is unclear what is intended by an “agency manual” or a “travel insurer operations manual” under “Documents to be Reviewed.” We do not believe every travel insurer or limited lines travel insurance

producer has such documents (or that they are called by such name), nor do we believe it is appropriate to create new substantive requirements in the Handbook that go beyond the requirements of the Model Act.

Second, in the first paragraph under “Review Procedures and Criteria,” we recommend deleting the second sentence, which reads: “If the examiner is unable to obtain the information from the travel insurer or the limited lines travel insurance producer, the examiner may request the information directly from the travel retailer.” The travel retailer will not necessarily have information on who the limited lines travel insurance producer’s Designated Responsible Producer (“DRP”) is, nor is the travel retailer required to have such information. See also the comments above under Standard 4 about the limited role/oversight of travel retailers and debate and negotiation regarding the Model Act.

Third, we believe the requirements in the second paragraph under “Review Procedures and Criteria” go beyond this Standard.

Finally, the Model Act also does not include a requirement that an “operations manual” include fingerprinting requirements as provided for in the third paragraph, nor is such a requirement apparently relevant to this Standard. Accordingly, this paragraph should be stricken. If the Handbook is intended to capture the fingerprinting requirements of Model Act Section 4(B)(4), then the Handbook should track those requirements, which require only that the DRP, and various other listed officers of the limited lines travel insurance producer, comply with any fingerprinting requirements applicable to insurance producers in the resident state of the limited lines travel insurance producer. As written, this paragraph goes beyond the Model Act requirements in Section 4(B)(4) and is outside the scope of this Standard.

#### Standard 11

We respectfully object to many of the proposed revisions to this Standard because they are overly broad and go beyond the requirements of Section 7(C)(5) of the Model Act, upon which the Standard is based.

First, the substitution of “any” for “the aggregator’s” in the text of the Standard itself is overly broad and exceeds the requirements of Model Act Section 7(C)(5). This Section requires that “[w]hen travel insurance is marketed directly to a consumer *through an insurer’s website or by others through an aggregator site*, it shall not be an unfair trade practice....” (emphasis added). A more appropriate revision would be to insert the words “insurer or” before “the aggregator’s website.” Such revision will then mirror the Model Act requirement, which is only imposed on an insurer or aggregator’s websites. We also recommend deleting the new language under “Documents to be Reviewed,” as the Standard should only reference the “insurer’s website” or an “aggregator site.”

Second, we recommend deleting the first sentence of the second paragraph under “Review Procedures and Criteria.” As proposed, the second paragraph suggests examiners should undertake a full review of the aggregator’s website, including for compliance with states’ unfair trade practices laws. Although this certainly can be done under general examination principles, it goes beyond the requirements of Model Act Section 7(C)(5). That Section contains the only mention of aggregators in the Model Act. The second

sentence under “Review Procedures and Criteria” can be revised to read: “The examiner should verify that if an accurate summary or short description of coverage is provided on the web page, the customer has access to the full provisions of the policy through electronic means.”

Third, the third paragraph under “Review Procedures and Criteria” should also be deleted. That paragraph states: “If the examiner is unable to obtain the information from the travel insurer or the limited lines travel insurance producer, the examiner may request the information directly from the travel retailer.” Compliance with this section is directed to the travel insurer and aggregator, not the travel retailer. See also the comments above under Standard 4 about the limited role/oversight of travel retailers and debate and negotiation regarding the Model Act.

Finally, the fifth paragraph under “Review Procedures and Criteria” should be deleted. The Standard relates to Section 7(C)(5) of the Model Act, which pertains to travel insurance marketing on an insurer’s website or an aggregator’s website, and it has nothing to do with whether travel insurance is primary or secondary. Although this requirement exists in Section 7(C)(4) of the Model Act, it is misplaced in this Standard. Additionally, this review procedure and criteria are already listed under Policyholder Service Standard 2.

## **Producer Licensing Standards**

### **Standard 1**

The proposed revision to insert “applicable state statutes, rules and regulations” should be rejected as beyond the Standard and the Model Act.

The current Standard directs the examiner to review whether the travel insurer or limited lines travel insurance producer has provided the information required in Section 4(B)(1) of the Model Act to purchasers of travel insurance. Although there are other disclosures and information that must be provided (e.g., Model Act Sections 4(C), 7(C)(2), etc.), broadening the Standard in this way would seem to give the examiner less guidance as to what to look for, and may cause the examiner to apply general provisions of law that are inapplicable to travel insurance. (See, e.g., Sections 2(C) and 7(A), which most of the thirty-seven (37) states have incorporated into their insurance laws.)

## **Underwriting and Rating Standards**

### **Standard 1**

The proposed “Review Procedures and Criteria” generally mirror the provisions of the Model Act and the Standard (pertaining to collection of premium taxes). However, the second sentence of the first paragraph that reads, “[i]f the examiner is unable to obtain the information from the travel insurer or the limited lines travel insurance producer, the examiner may request the information directly from the travel retailer”, should be deleted. The requirements of Section 5 of the Model Act, which pertain to premium taxes, apply

Petra Wallace, Senior Market Regulation Specialist  
March 12, 2025  
Page 6

to the insurer as the taxpayer. (See Sections 5(A) and 5(B) of the Model Act, which provide that “A travel insurer shall...”). The Model Act imposes no requirement on a travel retailer to maintain such information. See also the comments above about the limited role/oversight of travel retailers and debate and negotiation regarding the Model Act.

\* \* \* \*

Thank you for considering our comments. Please do not hesitate to reach out to me at (212) 547-5388 or [mbyrne@mwe.com](mailto:mbyrne@mwe.com) if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "M Byrne".

Michael Byrne  
Counsel, UStiA