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October 2, 2026

VIA EMAIL

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

Re: August 18, 2026 Draft Revisions to Chapter 21A—Conducting the Property/Casualty Travel Insurance Examination of the *Market Regulation Handbook*

Dear Ms. Wallace:

We are writing on behalf of the U.S. Travel Insurance Association (“USTIA”)¹ and the American Property Casualty Insurance Association (“APCIA”)² regarding changes to Chapter 21A—Conducting the Property/Casualty Travel Insurance Examination, of the National Association of Insurance Commissioners (“NAIC”) Market Regulation Handbook (“Handbook”) as revised on August 18, 2026, by the NAIC Market Conduct Examination Guidelines (D) Working Group (“Working Group”) (“Revised Draft”).

The USTIA and APCIA appreciate the efforts of the Working Group and its further consideration and incorporation of many of the revisions suggested in the USTIA’s and APCIA’s previous comments.³ The USTIA would like to highlight two additional proposed revisions that were not accepted by the Working Group, as it continues to believe that the revisions are warranted.

¹ The USTIA is the national association of the travel insurance industry. Its members include insurance carriers, third-party administrators, insurance agencies, and related businesses that develop, administer, and market travel insurance and travel assistance products. USTIA members represent 90% of the travel insurance marketplace.

² APCIA is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions-protecting families, communities, and businesses in the U.S. and across the globe.

³ On March 12, 2025, the USTIA and APCIA submitted comments on the initial proposed revisions to Chapter 21 A of the Handbook. On August 14, 2025, the USTIA submitted comments on the July 17, 2025 draft revisions to Chapter 21 A of the Handbook. On August 15, 2025, APCIA submitted comments on the July 17, 2025 draft revisions.

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Marketing and Sales Standards

Standard 1

Under the Review Procedures and Criteria, examiners are directed to request a list of all marketing materials and to review specimen or actual copies of all of the brochures or other written materials in conjunction with policy rate and form filings. The Review Procedures and Criteria then state that “[m]aterials should not ... offer unlawful rebates.” In the American Property Casualty Insurance Association & U.S. Travel Insurance Association August 15 & 14, 2025 Comment chart, the text provides, “The SMEs appreciate the recommendation; no additional changes are needed. SMEs feel rebating is the most potentially likely of the unfair trade practices listed in Model 880 that apply to travel insurance.” There is no other support provided for retaining this reference to “unlawful rebating.”

The USTIA and APCIA are not aware of unlawful rebating being an issue specific to travel insurance. For example, we are not aware of any evidence of unlawful rebating in travel insurance exams, DOI complaints, or litigation. The USTIA and APCIA believe that directing examiners to review travel insurance brochures and materials will incorrectly suggest such an issue and complaints do exist, causing examiners to expend resources to identify them or “prove the negative,” and thus misdirect and expand exams.

We also note that the NAIC Travel Insurance Model Act (“Model Act”), enacted in 44 states, expressly permits the sale of travel insurance with assistance services and/or cancellation fee waivers as a combined “travel protection plan.” These different features that make up a travel protection plan are defined in the Model Act, and their combined sale is specifically authorized therein, along with specific consumer protections and disclosures associated with the sale. Although this bundling has caused no confusion in the marketplace, it may nonetheless confuse examiners directed to look for unlawful rebating in travel insurance. Because these non-insurance services or waivers normally fall outside the filed insurance form regulators review, an examiner could mistake it for valuable consideration that induces the purchase of insurance—even though these legally permissible travel protection plans have always been ubiquitous in the marketplace. In short, directing examiners to look for illegal rebating runs the risk of confusing the legally permitted sale of travel protection plans with illegal rebating. For this additional reason, references to rebating should be removed.

We believe the Handbook otherwise sufficiently directs examiners to review such materials for misrepresentations or false, deceptive, or misleading statements. Accordingly, the USTIA and APCIA respectfully request that this item be removed from the Review Procedures and Criteria of the Revised Draft. If SMEs are aware of problems in this area, the USTIA and APCIA would very much like to engage in dialogue with those SMEs to learn more about what they are seeing.

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Standard 4

The Revised Draft, in the “Documents to be Reviewed” section, continues to have the language, “[t]ravel insurer and producer training materials related to 18 U.S.C. § 1033.” The explanation for including this language is that “[t]he SMEs want to leave this open-ended; regulators need to look at what is applicable for their consumers, taking into consideration each state’s specific statutes, rules and regulations. Additionally, requesting an insurer’s policies and procedures is a standard part of market conduct examination procedure.”

We respectfully request the Working Group remove this language from the Revised Draft, unless insurer and producer training materials related to 18 U.S.C. § 1033 exist in other chapters of the Handbook. Otherwise, the Model Act, in § 4(B)(6), requires the program of instruction and training to contain adequate instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers. Because the Model Act requires no training specific to 18 U.S.C. § 1033, the proposed Handbook language would incorrectly imply such a requirement for travel insurance and thus, as noted above regarding rebating, retaining this language would misdirect examiner resources and unnecessarily expand exams.

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

Sincerely,



Michael Byrne
Counsel, USTIA

McDermott Will & Schulte