

Draft: 5/1/19

Market Conduct Examination Standards (D) Working Group  
Conference Call  
April 24, 2019

The Market Conduct Examination Standards (D) Working Group of the Market Regulation and Consumer Affairs (D) Committee met via conference call April 24, 2019. The following Working Group members participated: Bruce R. Ramage, Chair (NE); Russell Hamblen, Vice Chair (KY); Melissa Grisham and Mel Heaps (AR); Sarah Borunda (AZ); Bruce Glaser and Damion Hughes (CO); Kurt Swan (CT); Frank Pyle (DE); Debra Peirce (GA); Mary Lou Moran (MA); Gloria Mason (MI); Paul Hanson and Teresa Fischer (MN); Cynthia Amann (MO); Maureen Belanger (NH); Ralph Boeckman (NJ); Dai How Bih and Sylvia Lawson (NY); Rodney Beetch and Angela Dingus (OH); Joel Sander (OK); Christopher Monahan (PA); Rebecca Nichols, Yolanda Tennyson and Bryan Wachter (VA); Christina Rouleau (VT); John Haworth and Patrick McNaughton (WA); Barbara Belling, Diane Dambach, Sue Ezalarab, Rebecca Rebholz and Mary Kay Rodriguez (WI); and Desiree Mauller (WV).

1. Adopted New Insurance Data Security Pre- and Post-Breach Checklists, Dec. 17, 2018, Drafts

Director Ramage said the checklists—which were first distributed to the Working Group, state insurance regulators and interested parties July 16, 2018—were discussed during the Working Group’s July 25, 2018; Aug. 29, 2018; Nov. 29, 2018; Dec. 19, 2018; and March 13, 2019, conference calls.

Director Ramage said, during the March 13 conference call, he asked the state insurance regulator subject-matter experts (SMEs) who developed the initial draft of the pre- and post-breach checklists for the Working Group’s review, to reconvene and re-review the checklists in light of comments received from interested parties and to present revisions, if any, to the Working Group during its next conference call.

Mr. Pyle said the SMEs met after the March 13 conference call and re-reviewed the pre- and post-breach checklists, taking interested party comments and suggested revisions into consideration. He said, after a thorough review and consideration of the interested party comments, the SMEs recommend that no further changes be made to the Dec. 17, 2018, drafts of the pre- and post-breach checklists.

Angela Gleason (American Property Casualty Insurance Association—APCIA) presented a comment letter, dated April 16, which was submitted to the NAIC April 18. She said language should be added to the checklists to: 1) identify when the pre-breach checklist should be used; 2) reference risk-based analysis; and 3) emphasize the need for consultation with domiciliary financial examiners to leverage the findings of the last completed information technology (IT)-related examination. Mr. Pyle said the SME review included a review of the APCIA comments, dated April 16 and received April 18.

Emily Micale (American Council of Life Insurers—ACLI) asked whether the SMEs reviewed the suggested redline changes submitted to the NAIC Feb. 20 by the ACLI. Mr. Pyle said the SMEs included the redlined ACLI document in their review of interested party comments.

Ms. Gleason said the language of the pre- and post-breach checklists may be interpreted by examiners to extend beyond the requirements set forth in the *Insurance Data Security Model Law* (#668).

Mr. Pyle made a motion, seconded by Ms. Rouleau, to adopt the pre- and post-breach checklists, dated Dec. 17, 2018 (Attachment XXXXX). He included in his motion that the pre-breach insurance data security checklist should be placed in the reference documents of the *Market Regulation Handbook* (Handbook) and the post-breach insurance data security checklist should be placed within the Handbook. The motion passed unanimously.

2. Adopted New Private Passenger Auto and Personal Lines Declination Standardized Data Requests for Inclusion in the Reference Documents of the Handbook

Director Ramage said two new private passenger auto standardized data requests and a new personal lines declination standardized data request were other carryover items from 2018. He said the standardized data requests were initially distributed Nov. 27, 2018, and were discussed during the Working Group’s Nov. 29, 2018, Dec. 19, 2018, and March 13, 2019, conference calls. When the standardized data requests are adopted, they will replace the Private Passenger Auto and the Declinations sections of the NAIC property/casualty (P/C) personal lines standardized data request.

Mr. Hamblen made a motion, seconded by Ms. Amann, to adopt the two new private passenger auto standardized data requests and the new personal lines declination standardized data request (Attachment XXXXX). The motion passed unanimously.

3. Reviewed New Homeowners Standardized Data Requests for Inclusion in the Reference Documents of the Handbook

Director Ramage said the new homeowners in force standardized data request and the new homeowners claims standardized data request, which were circulated April 18, were developed by state insurance regulator SMEs for the Working Group's review, discussion and consideration of adoption. When the homeowners standardized data requests are adopted, they will replace the Homeowners section of the NAIC P/C personal lines standardized data request.

Director Ramage asked that comments on the homeowners standardized data requests be submitted by May 20.

4. Received a Report Regarding Potential Inclusion of Content from Recently Adopted NAIC Models in the Handbook

Mr. Swan and Ms. Moran reviewed the recently adopted *Limited Long-Term Care Insurance Model Act* (#642) and *Limited Long-Term Care Insurance Model Regulation* (#643). Mr. Swan said several areas of examination standards in Chapter 26—Conducting the Long-Term Care Examination of the Handbook should be updated to correspond with the newly adopted Model #642 and Model #643; in particular, the examination standards in the Operations/Management, Marketing and Sales, Producer Licensing, Appeal of Benefit Trigger Adverse Determination, and Claims sections of Chapter 26.

Mr. Swan and Ms. Moran agreed, at Director Ramage's request, to develop an initial draft of examination standards for the Working Group's review, and Director Ramage requested that additional states volunteer to participate in this project.

Ms. Nichols said she and a fellow staff member, Joy Morton (VA), will volunteer to review the *Travel Insurance Model Act* (#632) and develop corresponding examination standards for inclusion in the Handbook. Director Ramage asked that additional states volunteer to assist Virginia with this project.

5. Discussed Other Matters

Director Ramage welcomed Pennsylvania's new representatives Katie Dzurec and Mr. Monahan to the Working Group.

Director Ramage said NAIC staff will provide advance email notice of the next Working Group conference call, which is anticipated to occur in May.

Having no further business, the Market Conduct Examination Standards (D) Working Group adjourned.

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**POLICY IN FORCE STANDARDIZED DATA REQUEST**  
**Property & Casualty Line of Business**  
**Homeowners**

Contents: This file should be downloaded from company system(s) and contain one record for each property insured under a homeowner policy issued in [applicable state] which was in force at any time during the examination period.

For any fields where there are multiple entries, please repeat field as necessary.

Uses: Data will be used to determine if the company follows appropriate procedures with respect to the issuance and/or termination of homeowner policies in [applicable state] within the scope of the examination.

- Cross-reference with the company's MCAS data to validate MCAS reporting and review the exam data for completeness;
- Cross-reference with the claims data file to validate the completeness of the in force file; and
- Cross-reference to state (s) licensing information to ensure proper producer licensure.

Field Name	Start	Length	Type	Decimals	Description
CoCode	1	5	A		NAIC company code
PolPre	6	3	A		Policy prefix ( <b>Blank if NONE</b> )
PolNo	9	20	A		Policy number
PolSuf	29	3	A		Policy suffix ( <b>Blank if NONE</b> )
PolStTyp	32	3	A		Policy status type for the record (i.e., new or renewal) <b>Please provide a list to explain any codes used</b>
PolTyp	35	5	A		Type of policy (i.e., HO-1, HO-2, etc.) <b>Please provide a list to explain any codes used</b>
PolForm	40	10	A		Policy form number as filed with the insurance department
PrCode	50	6	A		Company internal producer, CSR, or business entity producer identification code <b>Please provide a list to explain any codes used</b>
NPN	56	6	A		National producer number
InsFirst	62	15	A		First name of the first named insured
InsMid	77	15	A		Middle name of the first named insured
InsLast	92	20	A		Last name of the first named insured
InsAddr	112	100	A		Insured street address (location)
InsCity	212	20	A		Insured city (location)
InsSt	232	2	A		Insured state (location)
InsZip	234	5	A		Insured ZIP code (location)
StrYr	239	4	A		Year the structure was built
StrTyp	243	15	A		Type of structure (i.e. frame, masonry, etc.) <b>Please provide a list to explain any codes used.</b>
StrSqFt	258	4	A		Structure square footage
ProtCl	262	3	A		Protection class (if protection class is utilized)

RateTerr	265	10	A		Code specifying rating territory (please provide list of codes)
CovLmtA	275	11	N	2	Coverage A limit (Structure)
CovPremA	286	11	N	2	Coverage A premium amount (Structure)
CovLmtB	297	11	N	2	Coverage B limit (Personal property)
CovPremB	308	11	N	2	Coverage B premium amount (Personal property)
CovLmtC	319	11	N	2	Coverage C limit (Loss of use)
CovPremC	330	11	N	2	Coverage C premium amount (Loss of use)
CovLmtL	341	11	N	2	Coverage L limit (Personal liability)
CovPremL	352	11	N	2	Coverage L premium amount (Personal liability)
CovLmtM	363	11	N	2	Coverage M limit (Medical payments)
CovPremM	374	11	N	2	Coverage M premium amount (Medical payments)
PolDisc	385	20	A		Policy discounts (i.e. alarm, multi policy) <b>If codes are used, provide a list of codes along with their meanings</b>
SurTyp	405	15	A		Surcharge type, if applicable <b>Please provide a list to explain any codes used</b>
HOAmt	420	11	N	2	Surcharge amount (Do not use commas or dollar signs)
PolPrem	431	11	N	2	Total policy premium amount (sum of all premium for the policy, involving all premium, fees, etc.)
EndorLst	442	20	A		List endorsements attached to the policy <b>Please provide a list to explain any codes used</b>
DedTyp	462	10	A		Deductible type <b>If codes are used, provide a list of codes along with their meanings</b>
DedAmt	472	11	N	2	Deductible amount or percentage, if any
UWTier	483	5	A		Underwriting tier, if tier rating is utilized <b>Please provide a list to explain any codes used</b>
InsVal	488	11	N	2	Insurance to value amount
InsValDt	499	10	D		Date of last insurance to value completed [MM/DD/YYYY]
IVVendor	509	50	A		Insurance to value software vendor
FeeTyp	559	15	A		Type of fees applied, if applicable <b>Please provide a list to explain any codes used</b>
FeeAmt	574	11	N	2	Amount of fee applied <b>Repeat row for each fee applied</b>
AppRecDt	585	10	D		Date application received [MM/DD/YYYY]
AppProDt	595	10	D		Date application processed [MM/DD/YYYY]
InceptDt	605	10	D		Inception date of the policy [MM/DD/YYYY]
EffDt	615	10	D		Policy effective date [MM/DD/YYYY]
ExpDt	625	10	D		Policy expiration date [MM/DD/YYYY]
PdDt	635	10	D		Date policy was paid to before cancellation [MM/DD/YYYY]
CanTerDt	645	10	D		Date policy cancelled/terminated [MM/DD/YYYY]
CanReqDt	655	10	D		Date cancellation requested, if applicable [MM/DD/YYYY]
CanTerRs	665	64	A		Reason for cancellation/termination of coverage (i.e., lapse, insured request, company cancellation) <b>If codes are used, provide a list of codes along with their meanings</b>
CanTer	729	1	A		Who cancelled the coverage <b>C=Consumer or I=Insurer</b>

CanTerNt	730	10	D		Date the cancellation/termination notice was mailed [MM/DD/YYYY]
PremRef	740	11	N	2	Amount of premium refunded to the insured
RfndDt	751	10	D		Date premium refund mailed [MM/DD/YYYY]
RefMthd	761	25	A		Refund method (i.e., 90%, pro rata, etc.) <b>If codes are used, provide a list of codes along with their meanings</b>
EndRec	786	1	A		End of record marker. Please place an asterisk in this field to indicate the end of the record. This must be in the same character position for every record in this table.

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**CLAIMS STANDARDIZED DATA REQUEST**  
**Property & Casualty Line of Business**  
**Homeowners**

**Contents:** This file should be downloaded from company system(s) and contain one record for each claim transaction (i.e. paid/denied/pending/closed w/o payment) that the company processed within the scope of the examination. Include all claims open during the examination period. Do not include expense payments to vendors.

**Uses:** Data will be used to determine if the company follows appropriate procedures with respect to the handling of Property & Casualty claims within the scope of the examination.

- Cross-reference to annual statement claims data (amount) to ensure completeness of exam data submitted;
- Cross-reference with the company's MCAS data to validate MCAS reporting and review the exam data for completeness; and
- Cross-reference to state (s) licensing information to ensure proper adjuster licensure.

Field Name	Start	Length	Type	Decimals	Description
CoCode	1	5	A		NAIC company code
PolPre	6	3	A		Policy prefix <b>(Blank if NONE)</b>
PolNo	9	20	A		Policy number
PolSuf	29	3	A		Policy suffix <b>(Blank if NONE)</b>
ClmNo	32	15	A		Claim number
ClmPre	47	3	A		Claim number prefix <b>(Blank if NONE)</b>
ClmSuf	50	3	A		Claim number suffix <b>(Blank if NONE)</b>
Cov	53	5	A		Coverage under which claim was submitted
CovStat	58	10	A		Coverage status (e.g. paid, denied, pending, etc.) <b>Please provide a list to explain any codes used</b>
CATCode	68	6	A		Catastrophe (CAT) loss code, if applicable <b>(Blank if NONE)</b>
COL	74	20	A		Cause of loss (water, hail, medical, theft, fire, etc.)
DedDesc	94	20	A		Description of deductible applied (e.g. standard, wind/hail, earthquake)
DedTyp	114	10	A		Describe if the deductible is reflected as dollars or as a percentage
DedAmt	124	11	N	2	Deductible amount (Dollar amount or percentage amount)
Endorse	135	20	A		List endorsements applicable to this claim transaction (if any) <b>Please provide a list to explain any codes used</b>
InsFirst	155	15	A		First name of insured
InsMid	170	15	A		Middle name of insured
InsLast	185	20	A		Last name of insured
InsAddr	205	100	A		Insured street address (residence premises)

Field Name	Start	Length	Type	Decimals	Description
InsCity	305	20	A		Insured city (residence premises)
InsSt	325	2	A		Insured resident state (residence premises)
InsZip	327	5	A		Insured ZIP code (residence premises)
CmtFirst	332	15	A		First name of claimant
CmtMid	347	15	A		Middle name of claimant
CmtLast	362	20	A		Last name of claimant (Entity filing proof of loss, e.g. business, etc.)
CmtAddr	382	100	A		Claimant street address
CmtCity	482	20	A		Claimant city
CmtSt	502	2	A		Claimant state
CmtZip	504	5	A		Claimant ZIP code
ClmStat	509	10	A		Claim status P = Paid, D = Denied, N = Pending, H = Partial Payment, C = Closed Without Payment, R = Rescinded
Litig	519	1	A		Is claim currently in litigation? (Y/N)
AdjCode	520	10	A		Internal adjuster identification code <b>Please provide a list to explain any codes used</b>
NPN	530	6	A		National (adjuster) number
LossDt	536	10	D		Date loss occurred [MM/DD/YYYY]
RcvdDt	546	10	D		First notice of loss [MM/DD/YYYY]
ClmAckDt	556	10	D		Date company or its producer acknowledged the claim [MM/DD/YYYY]
DtClmFrm	566	10	D		Date claim forms sent to claimant [MM/DD/YYYY]
AppDt	576	10	D		Date of company appraisal
NtcInvDt	586	10	D		Date of written notice to insured/claimant regarding incomplete investigation [MM/DD/YYYY]
DepTkn	596	1	A		Was depreciation taken? (Y/N)
DepAmt	597	11	N	2	Amount of recoverable depreciation taken
DepPdAmt	608	11	N	2	Amount of recoverable depreciation paid
DepPdDt	619	10	D		Date recoverable depreciation paid [MM/DD/YYYY]
PdClmAmt	629	11	N	2	Total amount of claim paid
ClmPay	640	50	A		Claim payee
ClmPdDt	690	10	D		Claim paid date [MM/DD/YYYY]
IntPdAmt	700	11	N	2	Amount of interest paid, if applicable
IntPdDt	711	10	D		Date interest paid [MM/DD/YYYY]
ClmDnyDt	721	10	D		Date claim was denied [MM/DD/YYYY]
ClmDenRsn	731	100	A		Reason for claim denial <b>Please provide a list to explain any codes used</b>
Subro	831	1	A		Indicate whether claim was subrogated (Y/N)

Field Name	Start	Length	Type	Decimals	Description
SubRecdDt	832	10	D		Date company received subrogation refund [MM/DD/YYYY]
SubAmt	842	11	N	2	Subrogation received amount
AmtDedRm	853	11	N	2	Amount of deductible reimbursed to insured
SubRefDt	864	10	D		Date deductible refunded to insured [MM/DD/YYYY]
EndRec	874	1	A		End of record marker. Please place an asterisk in this field to indicate the end of the record. This must be in the same character position for every record in this table.

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## Chapter 21A—Conducting the Property and Casualty Travel Insurance Examination

### IMPORTANT NOTE:

The standards set forth in this chapter are based on established procedures and/or NAIC models, not on the laws and regulations of any specific jurisdiction. This handbook is a guide to assist examiners in the examination process. Since it is based on NAIC models, use of the handbook should be adapted to reflect each state's own laws and regulations with appropriate consideration for any bulletins, audit procedures, examination scope and the priorities of examination. Further important information on this and how to use this handbook is included in Chapter 1—Introduction.

This chapter provides a format for conducting travel insurance company examinations. Procedures for conducting property/casualty insurance company examinations and other types of specialized examinations—such as third-party administrators and surplus lines brokers—may be found in separate chapters.

The examination of travel insurance operations may involve any review of one or a combination of the following business areas:

- A. Operations/Management
- B. Complaint Handling
- C. Marketing and Sales
- D. Producer Licensing
- E. Policyholder Service
- F. Underwriting and Rating
- G. Claims

When conducting an examination that reviews these areas, there are essential tests that should be completed. The tests are applied to determine if the company is meeting standards. Some standards may not be applicable to all jurisdictions. The standards may suggest other areas of review that may be appropriate on an individual state basis.

## **A. Operations/Management**

Use the standards for this business area that are listed in Chapter 20—General Examination Standards, Chapter 21—Conducting the Property and Casualty Examination, and the standards set forth below.

### **1. Tests and Standards**

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**STANDARDS  
OPERATIONS/MANAGEMENT**

**Standard** [*None noted for this category*]

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

Others Reviewed

\_\_\_\_\_  
\_\_\_\_\_

**NAIC Model References**

*Travel Insurance Model Act (#632)*

*Unfair Trade Practices Act (#880)*

**Review Procedures and Criteria**

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## **B. Complaint Handling**

Use the standards for this business area that are listed in Chapter 20—General Examination Standards, Chapter 21—Conducting the Property and Casualty Examination, and the standards set forth below.

### **1. Tests and Standards**

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**STANDARDS  
COMPLAINT HANDLING**

**Standard** [None noted for this category]

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

\_\_\_\_\_ Applicable complaint register(s)

Others Reviewed

\_\_\_\_\_  
\_\_\_\_\_

**NAIC Model References**

*Travel Insurance Model Act (#632)*

*Unfair Trade Practices Act (#880)*

**Review Procedures and Criteria**

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## **C. Marketing and Sales**

Use the standards for this business area that are listed in Chapter 20—General Examination Standards, Chapter 21—Conducting the Property and Casualty Examination, and the standards set forth below.

### **1. Tests and Standards**

The marketing and sales review includes, but is not limited to, the following standards addressing various aspects of the marketing and sales function. The sequence of the standards listed here does not indicate priority of the standard.

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## STANDARDS MARKETING AND SALES

### **Standard 1 All advertising and sales materials comply with applicable statutes, rules and regulations.**

**Citation:** Model #632, Section 4 – Licensing and Registration, Subsection C:

Any Travel Retailer offering or disseminating Travel Insurance shall make available to prospective purchasers, brochures or other written materials that have been approved by the travel insurer. Such materials shall include information which, at a minimum: (1) Provides the identity and contact information of the insurer and the Limited Lines Travel Insurance Producer; (2) Explains that the purchase of Travel Insurance is not required in order to purchase any other product or service from the Travel Retailer; and (3) Explains that an unlicensed Travel Retailer is permitted to provide only general information about the insurance offered by the Travel Retailer, including a description of the coverage and price, but is not qualified or authorized to answer technical questions about the terms and conditions of the insurance offered by the Travel Retailer or to evaluate the adequacy of the customer's existing insurance coverage.

**Citation:** Model #632 – Section 7 – Sales Practices, Subsection C (1):

All documents provided to consumers prior to the purchase of travel insurance, including but not limited to sales materials, advertising materials, and marketing materials, shall be consistent with the travel insurance policy itself, including but not limited to, forms, endorsements, policies, rate filings, and certificates of insurance.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

#### **Documents to be Reviewed**

- \_\_\_\_\_ Applicable statutes, rules and regulations
- \_\_\_\_\_ The travel insurer's approved brochures or other written materials used in offering or disseminating travel insurance to prospective purchasers.
- \_\_\_\_\_ Policy forms and fulfillment materials are accurately represented in advertising and sales materials
- \_\_\_\_\_ Producers' own advertising and sales materials, including travel retailers under the direction of a Limited Lines Travel Insurance Producer

#### **NAIC Model References**

*Travel Insurance Model Act (#632)*  
*Unfair Trade Practices Act (#880)*

#### **Review Procedures and Criteria**

Ensure the Limited Lines Travel Insurance Producer, travel insurer, **and travel retailer** maintains, at its home or principal office, a complete file containing a specimen copy of every printed, published or prepared advertisement of its travel insurance programs and published or prepared advertisements of its individual, blanket and group travel insurance policies. *Drafting Note: The words "travel retailer" are bolded to emphasize that travel retailers are included in this review area. The Working Group will likely want to consider how deeply to delve into the travel retailers' business operations.*

Review advertising materials in conjunction with the appropriate policy form.

Materials should not:

- Misrepresent policy benefits, advantages or conditions by failing to disclose limitations, exclusions or reductions, or use terms or expressions that are misleading or ambiguous;
- Make false, deceptive or misleading statements or representations with respect to any person, company or organization in the conduct of insurance business;

Materials should:

- Clearly disclose name and address of insurer;
- If using a trade name, disclose the name of the insurer, an insurance group designation, name of the parent company of the insurer, name of a particular division of the insurer, service mark, slogan, symbol or other device or reference, if the advertisement would have the capacity or tendency to mislead or deceive as to the true identity of the insurer, or create the impression that a company other than the insurer would have any responsibility for the financial obligation under a policy;
- Prominently describe the type of policy being advertised;
- Indicate that the product being marketed is insurance;
- Comply with applicable statutes, rules and regulations;
- Identify the policy form that is being advertised, where appropriate;

Determine if the company approves producer sales materials and advertising.

Review the company and producer's websites with the following questions in mind:

- Does the website disclose who is selling/advertising/servicing for the website?
- Does the website disclose what is being sold or advertised?
- If required by statutes, rules or regulations, does the website reveal the physical location of the company/entity?
- Does the website reveal the jurisdictions where the advertised product is (or is not) approved, or use some other mechanism (including, but not limited to, identifying persons by geographic location) to accomplish an appropriate result?

For the review of Internet advertisements:

- Run an inquiry with the company's name;
- Review the company's home page;
- Research the ability to request more information about a particular product and verify the information provided is accurate; and
- Review the company's procedures related to producers' advertising on the Internet and ensure the company requires prior approval of the producer pages, if the company name is used.



**STANDARDS  
MARKETING AND SALES**

**Standard 2 The disclosures regarding combinations of travel insurance and non-insurance travel assistance services are compliant with applicable statutes, rules, and regulations.**

**Citation:** Model #632, Section 6 Travel Protection Plans:

Travel Protection Plans may be offered for one price for the combined features that the Travel Protection Plan offers in this state if:

The Travel Protection Plan clearly discloses to the consumer, at or prior to the time of purchase, that it includes Travel Insurance, Travel Assistance Services, and Cancellation Fee Waivers as applicable, and provides information and an opportunity, at or prior to the time of purchase, for the consumer to obtain additional information regarding the features and pricing of each; and

The Fulfillment Materials: (1) Describe and delineate the Travel Insurance, Travel Assistance Services, and Cancellation Fee Waivers in the Travel Protection Plan, and (2) Include the Travel Insurance disclosures and the contact information for persons providing Travel Assistance Services, and Cancellation Fee Waivers, as applicable.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

- \_\_\_\_\_ Applicable statutes, rules and regulations
- \_\_\_\_\_ Policy forms and fulfillment materials are accurately represented in advertising and sales materials
- \_\_\_\_\_ Producers' own advertising and sales materials and travel retailers acting under the direction of a Limited Lines Travel Insurance Producer

**NAIC Model References**

*Travel Insurance Model Act (#632)*  
*Unfair Trade Practices Act (#880)*

**Review Procedures and Criteria**

**STANDARDS  
MARKETING AND SALES**

**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.**

**Citation:** Model #632 – Section 4 – Licensing and Registration, Subsection B (2):

(2) At the time of licensure, the Limited Lines Travel Insurance Producer shall establish and maintain a register, on a form prescribed by the Commissioner, of each Travel Retailer that offers Travel Insurance on the Limited Lines Travel Insurance Producer's behalf. The register shall be maintained and updated by the Limited Lines Travel Insurance Producer and shall include 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. The Limited Lines Travel Insurance Producer shall submit such register to the state insurance department upon reasonable request. ~~The Limited Lines Travel Insurance Producer shall also certify that the Travel Retailer registered complies with 18 USC §1033. The grounds for the suspension, revocation and the penalties applicable to resident insurance producers under [insert applicable reference to insurance code], shall be applicable to the Limited Lines Travel Insurance Producers and Travel Retailers.~~ *[Stricken language is not relevant to this standard.]*

**Citation:** Model #632 – Section 4 – Licensing and Registration, Subsection F Responsibility: As the insurer's designee, the Limited Lines Travel Insurance Producer is responsible for the acts of the Travel Retailer and shall use reasonable means to ensure compliance by the Travel Retailer with this act.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

Others Reviewed

\_\_\_\_\_  
\_\_\_\_\_

**NAIC Model References**

*Travel Insurance Model Act (#632)*

*State Licensing Handbook; Uniform Licensing Standard 34 (Limited Lines Travel Insurance Standard)*

**Review Procedures and Criteria**

**STANDARDS  
MARKETING AND SALES**

**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.**

**Citation:** Model 632 – Section 4 – Licensing and Registration, Subsection B (2):

~~(2) At the time of licensure, the Limited Lines Travel Insurance Producer shall establish and maintain a register, on a form prescribed by the Commissioner, of each Travel Retailer that offers Travel Insurance on the Limited Lines Travel Insurance Producer’s behalf. The register shall be maintained and updated by the Limited Lines Travel Insurance Producer and shall include 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. The Limited Lines Travel Insurance Producer shall submit such register to the state insurance department upon reasonable request. The Limited Lines Travel Insurance Producer shall also certify that the Travel Retailer registered complies with 18 USC §1033. The grounds for the suspension, revocation and the penalties applicable to resident insurance producers under [insert applicable reference to insurance code], shall be applicable to the Limited Lines Travel Insurance Producers and Travel Retailers. [Stricken language is not relevant to this standard.]~~

**Citation:** Model #632 – Section 4 – Licensing and Registration, Subsection F Responsibility: As the insurer’s designee, the Limited Lines Travel Insurance Producer is responsible for the acts of the Travel Retailer and shall use reasonable means to ensure compliance by the Travel Retailer with this act.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

Others Reviewed

\_\_\_\_\_  
\_\_\_\_\_

**NAIC Model References**

*Travel Insurance Model Act (#632)*  
*State Licensing Handbook; Uniform Licensing Standard 34 (Limited Lines Travel Insurance Standard)*

**Review Procedures and Criteria**

**STANDARDS  
MARKETING AND SALES**

**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.**

**Citation:** Model #632, Section 7 – Sales Practices, Subsection C (2): For Travel Insurance policies or certificates that contain pre-existing condition exclusions, information and an opportunity to learn more about the pre-existing condition exclusions shall be provided any time prior to the time of purchase, and in the coverage’s Fulfillment Materials.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

\_\_\_\_\_ Policy form, fulfillment materials, advertising/sales materials, and disclosures

Others Reviewed

\_\_\_\_\_

\_\_\_\_\_

**NAIC Model References**

*Travel Insurance Model Act (#632)*

**Review Procedures and Criteria**

Determine that information about pre-existing condition exclusions is provided prior to the time of purchase

Determine that the fulfillment materials provide information about pre-existing condition exclusions

Determine that the policies or certificates and fulfillment materials clearly define pre-existing conditions as intended in the exclusions

Determine the completeness of the pre-existing condition exclusion and definition in the contract.

**STANDARDS  
MARKETING AND SALES**

**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.

**Citation:** Model #632 – Section 4 – Licensing and Registration, Subsection B (1) (a) through (d):  
The Limited Lines Travel Insurance Producer or Travel Retailer provides to purchasers of Travel Insurance:  
(a) A description of the material terms or the actual material terms of the insurance coverage;  
(b) A description of the process for filing a claim;  
(c) A description of the review or cancellation process for the Travel Insurance policy; and  
(d) The identity and contact information of the insurer and Limited Lines Travel Insurance Producer.

**Citation:** Model #632 – Section 4 – Licensing and Registration, Subsection F Responsibility: As the insurer’s designee, the Limited Lines Travel Insurance Producer is responsible for the acts of the Travel Retailer and shall use reasonable means to ensure compliance by the Travel Retailer with this Act.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

Others Reviewed

\_\_\_\_\_

**NAIC Model References**

*Travel Insurance Model Act (#632)*

*Unfair Trade Practices Act (#880)*

**Review Procedures and Criteria**

**STANDARDS  
MARKETING AND SALES**

**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.**

**Citation:** Model #632 – Section 4 – Licensing and Registration, Subsection B (6):

The Limited Lines Travel Insurance Producer requires each employee and authorized representative of the Travel Retailer whose duties including offering and disseminating Travel Insurance to receive a program of instruction or training, which is subject, at the discretion of the Commissioner, to review and approval. The training materials shall, at a minimum, contain adequate instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers.

**Citation:** Model #632 – Section 4 – Licensing and Registration, Subsection F Responsibility: As the insurer's designee, the Limited Lines Travel Insurance Producer is responsible for the acts of the Travel Retailer and shall use reasonable means to ensure compliance by the Travel Retailer with this Act.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

- \_\_\_\_\_ Applicable statutes, rules and regulations
- \_\_\_\_\_ Limited Lines Travel Insurance Producer's policies and procedures, including the standards for product training
- \_\_\_\_\_ Limited Lines Travel Insurance Producer's instruction/training files travel retailer employees and authorized representatives offering or disseminating travel insurance
- \_\_\_\_\_ Limited Lines Travel Insurance Producer's training materials for travel retailer employees and authorized representatives offering or disseminating travel insurance

**NAIC Model References**

*Travel Insurance Model Act (#632)*  
*State Licensing Handbook; Uniform Licensing Standard 34 (Limited Lines Travel Insurance Standard)*

**Review Procedures and Criteria**

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 to the specific product(s) being sold for each insurer. Review the Limited Lines Travel Insurance Producer's procedures to inform travel retailers of the regulated entity's standards for travel insurance product training and of applicable state statutes, rules or regulations regarding the solicitation and sale of travel insurance products.

Determine that the Limited Lines Insurance Travel Insurance Producer has adequate procedures in place to verify that the employees and authorized representatives of a travel retailer have completed necessary training, as required by applicable state statutes, rules and regulations, before allowing the employees and authorized representatives to sell travel insurance for that insurer.

Review complaint logs, any applicable complaint files and any investigation files for allegations of unsuitable, improper or misleading sales by the travel retailer's employees or authorized representatives. *[Drafting note: Should the examination extend into this level of review of the travel retailer's operations?]*

DRAFT

**STANDARDS  
MARKETING AND SALES**

**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.**

**Citation:** Model #632 – Section 4 – Licensing and Registration, Subsection B (6):

The Limited Lines Travel Insurance Producer requires each employee and authorized representative of the Travel Retailer whose duties including offering and disseminating Travel Insurance to receive a program of instruction or training, which is subject, at the discretion of the Commissioner, to review and approval. The training materials shall, at a minimum, contain adequate instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers.

**Citation:** Model #632 – Section 4 – Licensing and Registration, Subsection F Responsibility: As the insurer's designee, the Limited Lines Travel Insurance Producer is responsible for the acts of the Travel Retailer and shall use reasonable means to ensure compliance by the Travel Retailer with this act.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

- \_\_\_\_\_ Applicable statutes, rules and regulations
- \_\_\_\_\_ Agency correspondence file/Agency bulletins
- \_\_\_\_\_ Agency procedural manual
- \_\_\_\_\_ Producer training materials

**NAIC Model References**

*Travel Insurance Model Act (#632)*  
*State Licensing Handbook; Uniform Licensing Standard 34 (Limited Lines Travel Insurance Standard)*

**Review Procedures and Criteria**

Contact other regulators that may have conducted a recent review of the training standards.

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

Review regulated entity's records to determine if, when and how product-specific training occurred prior to the employees or authorized representatives of a travel retailer recommend a travel insurance product.



**STANDARDS  
MARKETING AND SALES**

**Standard 9 The travel insurer has procedures in place to require its producers to comply with applicable travel retailer training requirements.**

**Citation:** Model #632, Section 4 – Licensing and Registration, Subsection B (6):

(6) The Limited Lines Travel Insurance Producer requires each employee and authorized representative of the Travel Retailer whose duties include offering and disseminating Travel Insurance to receive a program of instruction or training, which is subject, at the discretion of the Commissioner, to review and approval. The training materials shall, at a minimum, contain adequate instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers.

**Citation:** Model #632 – Section 4 – Licensing and Registration, Subsection F Responsibility:

As the insurer’s designee, the Limited Lines Travel Insurance Producer is responsible for the acts of the Travel Retailer and shall use reasonable means to ensure compliance by the Travel Retailer with this act.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

- \_\_\_\_\_ Applicable statutes, rules and regulations
- \_\_\_\_\_ Agency correspondence file/Agency bulletins
- \_\_\_\_\_ Agency procedural manual
- \_\_\_\_\_ Producer training materials

Others Reviewed

**NAIC Model References**

*Travel Insurance Model Act (#632)*  
*State Licensing Handbook; Uniform Licensing Standard 34 (Limited Lines Travel Insurance Standard)*

**Review Procedures and Criteria**

**STANDARDS  
MARKETING AND SALES**

**Standard 10 The Limited Lines Travel Insurance Producer has designated a “Designated Responsible Producer.”**

**Citation:** Model #632, Section 4 – Licensing and Registration, Subsection B (3):

(3) The Limited Lines Travel Insurance Producer has designated one of its employees who is a licensed individual producer as the person (a “Designated Responsible Producer” or “DRP”) responsible for the compliance with the Travel Insurance laws and regulations applicable to the Limited Lines Travel Insurance Producer and its registrants.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

Others Reviewed

\_\_\_\_\_

\_\_\_\_\_

**NAIC Model References**

*Travel Insurance Model Act (#632)*

*State Licensing Handbook; Uniform Licensing Standard 34 (Limited Lines Travel Insurance Standard)*

**Review Procedures and Criteria**

**STANDARD  
MARKETING AND SALES**

**Standard 11 Sales practices do not include “negative option or opt out.”**

**Citation:** Model #632, Section 7 – Sales Practices, Subsection D:

D. Opt out. No person offering, soliciting, or negotiating Travel Insurance or Travel Protection Plans on an individual or group basis may do so by using negative option or opt out, which would require a consumer to take an affirmative action to deselect coverage, such as unchecking a box on an electronic form, when the consumer purchases a trip.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

\_\_\_\_\_ Sales and marketing

Others Reviewed

\_\_\_\_\_

\_\_\_\_\_

**NAIC Model References**

*Travel Insurance Model Act (#632)*

*Unfair Trade Practices Act (#880)*

**Review Procedures and Criteria**

**STANDARDS  
MARKETING AND SALES**

**Standard 12 Blanket coverage is not marketed or described as “free” coverage.**

**Citation:** Model #632, Section 7 – Sales Practices, Subsection E:

E. It shall be an unfair trade practice to market Blanket Travel Insurance coverage as free.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

Others Reviewed

\_\_\_\_\_  
\_\_\_\_\_

**NAIC Model References**

*Travel Insurance Model Act (#632)*

**Review Procedures and Criteria**

Review the use of the words/phrases “free,” “no cost,” “without cost,” “no additional cost,” “at no extra cost” or words/phrases of similar import. Such words/phrases should not be used with respect to any benefit or service being made available with a policy, unless true.

If there is no charge to the insured, then the identity of the payor must be prominently disclosed. An advertisement may specify the charge for a benefit or a service or may state that a charge is included in the premium or use other appropriate language.

**STANDARD  
MARKETING AND SALES**

**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.

**Citation:** Model #632, Section 7 – Sales Practices, Subsection C (5):

(5) Where 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 or other violation of law where an accurate summary or short description of coverage is provided on the web page, so long as the consumer has access to the full provisions of the policy through electronic means.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

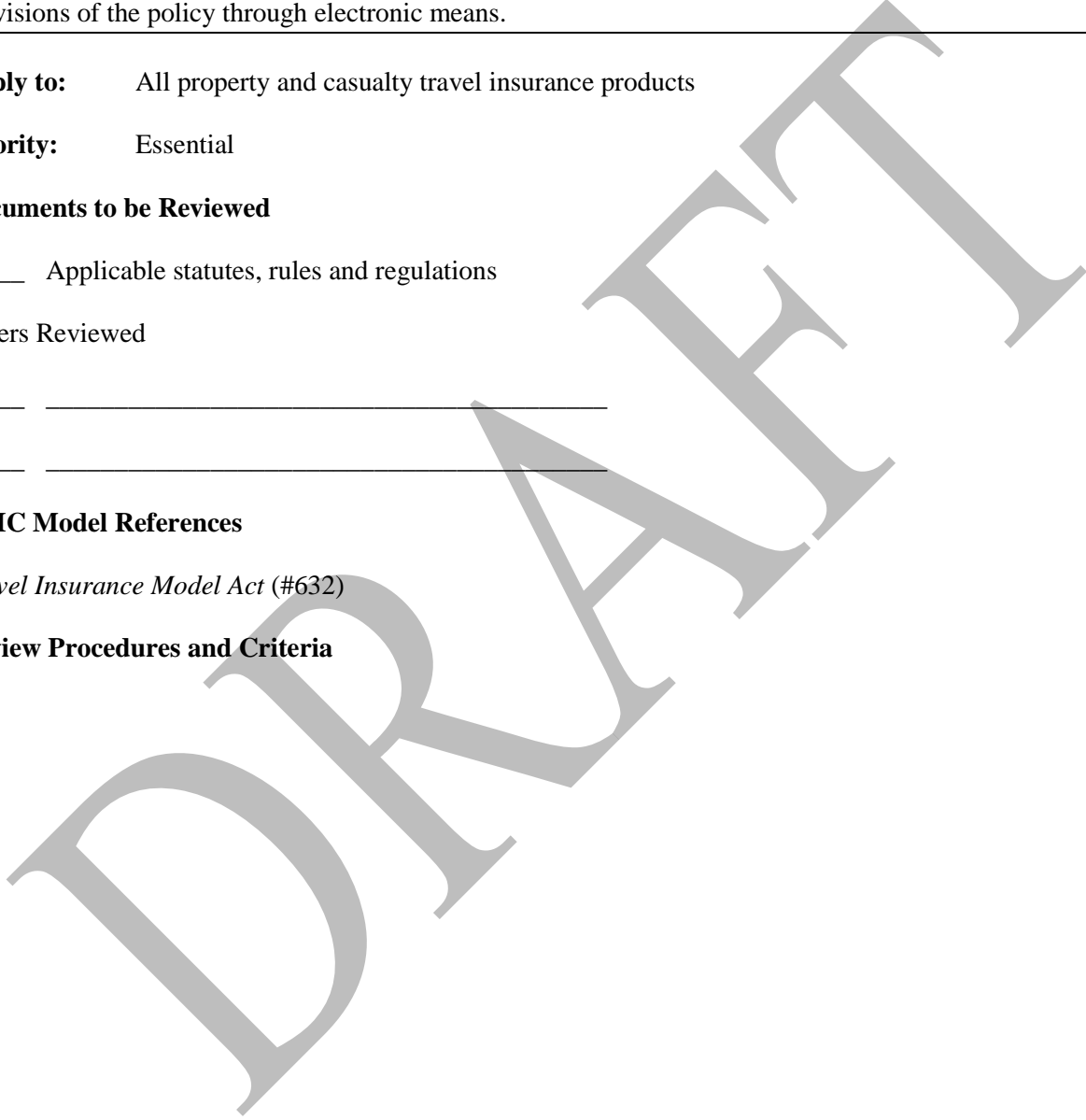
Others Reviewed

\_\_\_\_\_  
\_\_\_\_\_

**NAIC Model References**

*Travel Insurance Model Act (#632)*

**Review Procedures and Criteria**



## **D. Producer Licensing**

Use the standards for this business area that are listed in Chapter 20—General Examination Standards, Chapter 21—Conducting the Property and Casualty Examination, and the standards set forth below.

DRAFT

**STANDARD  
PRODUCER LICENSING**

**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 the oversight of property and casualty travel insurance.**

**Citation:** Model #632, Section 4 – Licensing and Registration, Subsection B:

B. A Travel Retailer may offer and disseminate Travel Insurance under a Limited Lines Travel Insurance Producer business entity license only if the following conditions are met:

(1) The Limited Lines Travel Insurance Producer or Travel Retailer provides to purchasers of Travel Insurance:  
(a) A description of the material terms or the actual material terms of the insurance coverage; (b) A description of the process for filing a claim; (c) A description of the review or cancellation process for the Travel Insurance policy; and (d) The identity and contact information of the insurer and Limited Lines Travel Insurance Producer.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

Others Reviewed

\_\_\_\_\_  
\_\_\_\_\_

**NAIC Model References**

*Travel Insurance Model Act (#632)*

*Unfair Trade Practices Act (#880)*

*State Licensing Handbook; Uniform Licensing Standard 34 (Limited Lines Travel Insurance Standard)*

**Review Procedures and Criteria**

Determine if the requested coverage is issued.

## **E. Policyholder Service**

Use the standards for this business area that are listed in Chapter 20—General Examination Standards, Chapter 21—Conducting the Property and Casualty Examination, and the standards set forth below.

DRAFT



**STANDARD  
POLICYHOLDER SERVICE**

**Standard 1 The content and delivery of fulfillment materials and the policy documentation comply with applicable state statutes, rules and regulations pertaining to the oversight of property and casualty travel insurance.**

**Citation:** Model #632, Section 7 – Sales Practices, Subsection C Marketing (3):

(3) The Fulfillment Materials and the information described in Section 4B(1)(a)-(d) shall be provided to a policyholder or certificate holder as soon as practicable, following the purchase of a Travel Protection Plan. ~~Unless the insured has either started a covered trip or filed a claim under the Travel Insurance coverage, a policyholder or certificate holder may cancel a policy or certificate for a full refund of the Travel Protection Plan price from the date of purchase of a Travel Protection Plan until at least: (a) Fifteen (15) days following the date of delivery of the Travel Protection Plan's Fulfillment Materials by postal mail; or (b) Ten (10) days following the date of delivery of the Travel Protection Plan's Fulfillment Materials by means other than postal mail. For the purposes of this section, delivery means handing Fulfillment Materials to the policyholder or certificate holder or sending Fulfillment Materials by postal mail or electronic means to the policyholder or certificate holder.~~

*[Stricken language is not relevant to this standard.]*

**Citation:** Model #632, Section 7 – Sales Practices, Subsection C Marketing (4):

(4) The company shall disclose in the policy documentation whether the Travel Insurance is primary or secondary to other coverage.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

\_\_\_\_\_ All applications

Others Reviewed

\_\_\_\_\_  
\_\_\_\_\_

**NAIC Model References**

*Travel Insurance Model Act (#632)  
Unfair Trade Practices Act (#880)*

**Review Procedures and Criteria**

## **F. Underwriting and Rating**

Use the standards for this business area that are listed in Chapter 20—General Examination Standards, Chapter 21—Conducting the Property and Casualty Examination, and the standards set forth below.

DRAFT

**STANDARD  
UNDERWRITING AND RATING**

**Standard 1 Minimum data collection standards to ensure proper allocation for payment of premium tax have been established.**

**Citation:** Model #632, Section 5 Premium Tax

A. A travel insurer shall pay premium tax, as provided in [insert reference to the state's existing premium tax provision] on Travel Insurance premiums paid by any of the following:

- (1) An individual primary policyholder who is a resident of this state;
- (2) A primary certificate-holder who is a resident of this state who elects coverage under a Group Travel Insurance policy; or
- (3) A Blanket Travel Insurance policyholder that is a resident in, or has its principal place of business or the principal place of business of an affiliate or subsidiary that has purchased Blanket Travel Insurance in this state for eligible blanket group members, subject to any apportionment rules which apply to the insurer across multiple taxing jurisdictions or that permit the insurer to allocate premium on an apportioned basis in a reasonable and equitable manner in those jurisdictions.

B. A travel insurer shall:

- (1) Document the state of residence or principal place of business of the policyholder or certificateholder, as required in Section 5A; and,
- (2) Report as premium only the amount allocable to Travel Insurance and not any amounts received for Travel Assistance Services or Cancellation Fee Waivers.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

\_\_\_\_\_ All applications

Others Reviewed

**NAIC Model References**

*Travel Insurance Model Act (#632)*

**Review Procedures and Criteria**

**STANDARD**  
**UNDERWRITING AND RATING** *[Drafting Note: May be unnecessary]*

**Standard 2 The insurer's travel insurance products are classified as inland marine insurance.**

**Citation:** Model #632, Section 9 Policy:

A. Notwithstanding any other provision of the [insurance code], Travel Insurance shall be classified and filed for purposes of rates and forms under an inland marine line of insurance, provided, however, that travel insurance that provides coverage for sickness, accident, disability or death occurring during travel, either exclusively, or in conjunction with related coverages of emergency evacuation or repatriation of remains, may be filed under either an accident and health line of insurance or an inland marine line of insurance.

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

\_\_\_\_\_ Applicable statutes, rules and regulations

\_\_\_\_\_ All applications

Others Reviewed

**NAIC Model References**

*Travel Insurance Model Act (#632)*

**Review Procedures and Criteria**

## **G. Claims**

Use the standards for this business area that are listed in Chapter 20—General Examination Standards, Chapter 21—Conducting the Property and Casualty Examination, and the standards set forth below.

DRAFT

**STANDARD  
CLAIMS**

**Standard 1 Verify through the claims records that there is no evidence of “illusory coverage.”**

**Citation:** Model #632, Section 7 – Sales Practices, Subsection B:

B. Illusory Travel Insurance. Offering or selling a Travel Insurance policy that could never result in payment of any claims for any insured under the policy is an unfair trade practice under [insert reference to NAIC model Unfair Trade Practices Act (#880)].

**Apply to:** All property and casualty travel insurance products

**Priority:** Essential

**Documents to be Reviewed**

- \_\_\_\_\_ Applicable statutes, rules and regulations
- \_\_\_\_\_ Review policy forms and endorsements
- \_\_\_\_\_ Claim files
- \_\_\_\_\_ Claim complaint records
- \_\_\_\_\_ Claim procedure/underwriting manuals

**NAIC Model References**

*Travel Insurance Model Act (#62)*  
*Unfair Trade Practices Act (#880)*

**Review Procedures and Criteria**

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## 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.”

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