



Chester A. McPherson
Acting Commissioner

BULLETIN
15-IB-03-05/04

TO: ALL DISTRICT OF COLUMBIA LICENSED PRODUCERS

FROM: CHESTER A. MCPHERSON, ACTING COMMISSIONER

DATE: MAY 19, 2015

SUBJECT: LICENSING OF LIMITED LINES TRAVEL INSURANCE PRODUCERS

The intent of this Bulletin is to communicate the Department of Insurance, Securities and Banking's ("Department") position with respect to the activities of limited lines producers with travel qualifications as provided in D.C. Official Code § 31-1131.04 and 1131.07(10)(E), and the rules promulgated at 26 DCMR § 100 *et seq.* The guidance set-forth in this Bulletin is intended to harmonize District of Columbia law with national standards.

Limited Line Authority

The Commissioner is authorized to issue a limited lines qualification to an individual or business entity applying for an insurance producer license pursuant to D.C. Official Code § 31-1131.07(10)(E). An employee or authorized representative of a limited line business entity or a travel agency that writes insurance on behalf of the limited lines producer, may make travel insurance available to consumers, incidental to the offer of travel services, so long as the requirements of the regulations cited and guidance provided in this Bulletin are fulfilled.

Requirements

A limited lines producer may make travel insurance available through travel agencies incidental to the offer of travel services, including providing a general description of the coverage, processing applications and collecting premiums on behalf of a limited lines producer, as long as the travel agencies and its employees or authorized representatives, act pursuant to the direction and training of the limited line travel producer business entity licensee of record.

For a limited lines business entity writing insurance through travel agencies, the business entity shall:

(A) At the time of licensure, establish and maintain a register on a form prescribed or approved by the Commissioner of authorized travel agencies that write insurance through, and on behalf of, the limited line business entity. The register shall:

- (1) Include the name, address, and contact information of each travel agency, including the supervising officer or person, that offers travel insurance on behalf of the limited line business entity;
- (2) Include each travel agency's Federal Tax Identification Number; and
- (3) Be updated and certified no less than annually by the limited lines business entity and made available to the Department for examination upon reasonable request.

(B) The limited line insurance producer of record for the business entity shall:

- (1) Certify that the employees and authorized representatives of each travel agency have disclosed all regulatory or criminal actions that would be required to be disclosed by the limited line producer and have complied with 18 U.S.C. § 1033.
- (2) Certify that an employee or authorized representative or travel agency that had previously been approved to make travel insurance available on behalf of the limited line business entity is no longer eligible and that such authority has been rescinded.

Certifications under subparagraphs (1) and (2) shall be updated no less than annually by the limited lines business entity and made available to the Department for examination upon reasonable request.

(C) Consistent with 26 DCMR § 100.8, the limited line business entity and producer of record are responsible for all actions of each travel agency registered under its license and such employees and authorized representatives.

(D) In addition to complying with 26 DCMR § 100.9, the limited lines training and education for travel agency employees and representatives who are not licensed as an insurance producer shall include specific instruction on the prohibition from making statements or engaging in conduct, express or implied, that would lead a consumer to believe:

- (1) That the purchase of travel limited line insurance is required;
- (2) That the consumer does not have insurance policies in place that may already provide the coverage offered by the travel agency; and

- (3) That the employee or authorized representative is qualified to evaluate or interpret the technical terms, benefits, and conditions of the offered travel limited line insurance coverage or the adequacy of the traveler's existing coverage.