

## **Limited Lines Travel Insurance Producer Business Entity Frequently Asked Questions (FAQs)**

### **What is a Limited Lines Travel Insurance Producer Business Entity license?**

Limited lines travel insurance license is defined by Mississippi code §83-17-63 and 2015 SB 2230. The license allows travel insurance producers to sell travel insurance through third-party retailers. The third party retailers are not required to be licensed.

### **Who is a limited lines travel insurance producer?**

A limited lines travel insurance producer is an entity that offers travel insurance through third party travel retailers. A limited lines travel producer may be:

- A licensed managing general agent or third-party administrator
- A licensed insurance producer, including a limited lines producer designated by an insurer as the travel insurance supervising entity

### **What is a travel retailer?**

A travel retailer means a business entity that makes, arranges or offers travel services and may “offer and disseminate” travel insurance as a service to its customers on behalf of and under the direction of a limited lines travel insurance producer.

### **What is the definition of Offer and disseminate?**

Offer and disseminate means providing general information, including a description of the coverage and price, as well as processing the application, collecting premiums, and performing other non-licensable activities by the state.

### **What is travel insurance?**

Travel insurance is defined by Mississippi statute §83-17-63 as insurance coverage for personal risks incident to planned travel, including, but not limited to:

- Interruption or cancellation of trip or event
- Loss of baggage or personal effects
- Damages to accommodations or rental vehicles or
- Sickness, accident, disability or death occurring during travel

### **What is not included in the definition of travel insurance?**

Travel insurance does not include major medical plans, which provide comprehensive medical protection for travelers with trips lasting six (6) months or longer, including, for example, those working overseas as an ex-patriot or military personnel being deployed.

### **Is an insurance license required for a travel retailer to offer and disseminate travel insurance?**

No, a travel retailer may “offer and disseminate” travel insurance as a service to its customers on behalf of and under the direction of a limited lines travel insurance producer.

**Is a designated responsible producer (DRP) required?**

The limited lines travel insurance producer is required to designate one of its employees who is a licensed individual producer as the person (a “designated responsible producer” or “DRP”) responsible for the limited lines travel insurance producer’s compliance with the travel insurance laws, rules and regulations of the state. Also referred to as a designated responsible licensed producer (DRLP).

**Who is required to be licensed?**

The limited lines travel insurance producer business entity and at least one designated responsible producer (DRP). Also referred to as a designated responsible licensed producer (DRLP).

**What is required for a travel retailer to sell or offer coverage under a limited lines policy of travel insurance?**

A travel retailer may offer and disseminate travel insurance under a limited lines travel insurance producer business entity (“licensed business entity”) only if the following conditions are met. The limited lines travel insurance producer or travel retailer provides to purchasers of travel insurance:

- A description of the material terms or the actual material terms of the insurance coverage;
- A description of the process for filing a claim;
- A description of the review or cancellation process for the travel insurance policy;
- The identity and contact information of the insurer and limited lines travel insurance producer

**Is a registry required of each travel retailer?**

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 registry 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. The limited lines travel insurance producer shall submit such register to the Department of Insurance upon reasonable request. The limited lines travel insurance producer shall also certify that the travel retailer registered complies with 18 USC 1033.

**What are the travel retailer training requirements?**

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 or instruction or training, which may be subject to review by the Commissioner. The training material shall, at a minimum, contain instructions on:

- The types of insurance offered
- Ethical sales practices
- Required disclosures to prospective customers

**Does the state of Mississippi need to approve my training material?**

No

**What do I need to maintain as proof that training material has been provided to the travel retailer?**

The Limited Lines Travel Retailer Register.

**When will the Limited lines travel insurance producer business entity license be available?**

Individuals and business entities may apply for a limited lines travel insurance producer license on or after January 1, 2016.

**Is the limited lines producer or travel retailer required to take an exam for licensure and meet continuing education requirements?**

No, the limited lines travel insurance producers and those registered under their license, are exempt from the examination requirements and the continuing education requirements Mississippi Code of 1972, Title 83, Chapter 17.

**What is the license fee for a limited lines travel license and how does the applicant submit an application for licensure?**

The limited lines travel business entity license is \$200.00 license fee. The applicant should submit an electronic application through SIRCON at [www.sircon.com](http://www.sircon.com) , NIPR at [www.nipr.com](http://www.nipr.com) or download our paper application and mail to the department.

**I hold an A&H and P&C line of authority (LOA), do I also need to have the travel limited lines license?**

The travel line of authority is included under the P&C LOA.

**Does the license require an appointment by the carrier?**

Mississippi doesn't require an appointment for the business entity. An appointment is required for the individual insurance producer.

**How soon is an appointment required of the Limited Lines Insurance Producer for travel line of authority (LOA)?**

The insurer must submit the appointment on the prescribed form within 15 days from the date of the agency contract or when the first insurance contract is submitted.

**If I lose my appointment will the license be terminated?**

No, an insurance producer who is not acting as an agent of the insurer is not required to become appointed.

**When does a limited lines travel license renew and how does the licensee submit a renewal application?**

The Limited Lines Travel Insurance Producer Business Entity license has a renewal fee of \$200.00. All insurance producer business entity licenses will be issued on a biennial basis with an expiration date of May 31. The licensee should submit an electronic renewal within 60 days prior to license expiration

through SIRCON at [www.sircon.com](http://www.sircon.com), NIPR at [www.nipr.com](http://www.nipr.com) or mail in renewal invoice to the department.

### **What is required of a travel retailer offering or disseminating travel insurance?**

Any travel retailer “offering or disseminating” travel insurance shall make available to prospective purchasers’ brochures or other written materials that:

- Provide the identity and contact information of the insurer and the limited lines travel insurance producer;
- Explain that the purchase of travel insurance is not required in order to purchase any other product or service from the travel retailer; and
- Explain that an unlicensed travel retailer is permitted to provide 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.

### **If not licensed, what is a travel retailer’s employee or authorized representative not authorized to do?**

A travel retailer’s employee or authorized representative, who is not licensed as an insurance producer, may not:

- Evaluate or interpret the technical terms, benefits and conditions of the offered travel insurance coverage;
- Evaluate or provide advise concerning a prospective purchaser’s existing insurance; or
- Hold themselves out as a licensed insurer, licensed producer, or insurance expert.

### **How can travel insurance be sold?**

Travel insurance may be provided under an individual policy or under a group or master policy.

### **Who is responsible?**

As the insurer 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 (2015 SB 2230). The limited lines travel insurance producer and any travel retailer “offering and disseminating” travel insurance under the limited lines travel insurance producer license shall be subject to the provisions of §83-5-29 through §83-5-51 and §83-17-71.

### **I work with large travel retailers such as a cruise line, they are included on my registry and I have provided them with training material, however the cruise line has sales through other travel retailers who receive commissions, do they need to be included on my registry even though I have no contact with them?**

If you are doing business with a travel retailer (a business entity that makes, arranges or offers travel services and “may” offer and disseminate travel insurance as a service to its customer on behalf of an under the direction of Limited lines travel insurance producer), they should be listed on your registry

**My state of domicile does not offer a home state license, would MS consider being a designated home state in this situation?**

MS would issue a nonresident travel entity license under our resident requirements. Their principal place of business would need to be in Mississippi. A statement would need to be provided from their state department of insurance referencing that this license was not available in their resident state.

**What is the difference between Travel and Trip Accident and Baggage line of authority?**

Travel: the travel line of authority is limited line insurance coverage for trip cancellation, trip interruption, baggage, life, sickness and accident, disability, and personal effects when limited to a specific trip and sold in connection with transportation provided by a common carrier.

Trip, Accident and Baggage: is coverage protecting the insured against risk resulting from accidental death; loss or damage to personal effects carried as a baggage in connection with transportation provided by a common carrier.