



Major Milestone in Licensing Requirements for Sellers of Travel Insurance

Washington, DC – October 25, 2010 -- The US Travel Insurance Association (USTiA) has achieved a milestone in the quest for adoption of a uniform licensing standard for travel agents and other sellers of travel insurance.

Acting on USTiA's recommendations, with the assistance of the American Society of Travel Agents (ASTA), the National Association of Insurance Commissioners (NAIC) on October 21 adopted language for a new Uniform Licensing Standard and Implementation Guideline that would significantly streamline the licensing process for selling travel insurance, while improving consumer protection.

“By amending the current licensing standards, we have made major progress toward reducing the licensing burdens for retailers offering travel insurance,” says USTiA president, Jim Grace. “At the same time, the new standard will, once implemented in all states, offer greater transparency and consistent consumer protections.”

Currently, each travel agency, travel agent, and others selling travel insurance must be licensed in the states where they conduct business. The new NAIC amendments lay the groundwork for states to adopt one standard licensing approach, replacing the current fragmented system. In the states that adopt the amendments, “Travel Retailers”--including travel agencies and agents—will be allowed to offer and disseminate travel insurance products without a license as long as specified consumer protection requirements are met.

Under the new NAIC Standards and Guidelines, allowable non-licensable activities would include offering general information such as descriptions of coverage and pricing, as well as processing applications, and collecting premiums so long as the insurance provider (Managing General Agent and Nationally Licensed Producer) whose product is being sold holds a business entity license.

Win-Win for Agents and Consumers

USTiA describes the new amendment as a win-win situation for both travel agents and consumers. “Once states have adopted the NAIC standards, travel agents offering and disseminating travel insurance can do so under the provider's license and will not need to be licensed themselves. This move will help provide travel agencies with a value-added source of revenue,” says Grace.

For consumers this new standard provides greater protection as it requires the insurance provider to meet a number of criteria including clearly identifying itself in all sales and fulfillment materials, registering the travel retailer by state, conducting background checks and training non-insurance travel retailers, and more. “The recommended change has major implications for consumers,” says USTiA president Jim Grace. “By providing one set of licensing standards

across all 50 states, the traveling public can be assured that there will be more consistent control over those who sell travel insurance.”

Each state must implement changes

“USTiA has worked hard on the issue of uniform licensing. We have come a long way, and couldn’t have accomplished this without the help of our members and the support of ASTA. However, while NAIC’s adoption of the new language represents a major accomplishment, this is not the end of the road. We still have a lot of work ahead, to ensure that each state’s insurance commission implements these guidelines,” concludes Grace.

About USTiA

USTiA promotes fairness, integrity, and a commitment to excellence in the travel insurance industry. With a mission to educate the public on travel insurance while maintaining high industry standards, USTiA is a non-profit association of insurance carriers and allied businesses involved in the development, administration and marketing of travel insurance and assistance.

For more information and a listing of USTiA members, visit www.ustia.org.

###

Contact:

Linda Kundell
Kundell Communications
(212) 877-2798
Kundellcom@nyc.rr.com

– or –

LRKPR@aol.com