

Limited Lines Travel Business Entity Insurance License Frequently Asked Questions (FAQS)

What is a “Limited Lines Travel Business Entity Insurance License”?

Limited lines travel insurance license is defined by North Carolina General Statute § 58-33-19 and 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 underwriter.
- A licensed managing general agent or third-party administrator.
- A licensed insurance producer as defined by North Carolina General Statute § 58-33-10(7) including:
 1. A limited lines producer designated by an insurer as the travel insurance supervising entity.
 2. A limited lines producer appointed by an insurer, as set forth in 58-33-40k, who acts as a landlord or real estate broker engaged in the rental or management of residential property for vacation rental as defined in Chapter 42A of the General Statutes.

What is a “travel retailer”?

A travel retailer is defined by North Carolina General Statute § 58-33-19 as 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 “travel insurance”?

Travel insurance is defined by North Carolina General Statute § 58-33-19 as insurance coverage for the personal risks incidental to planned travel that includes, but is not limited to interruption or cancellation of a trip or event, loss of baggage or personal effects and 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 that provide comprehensive medical protection for travelers with trips lasting six months or longer- including deployed military personnel or those U.S. citizens working overseas as expatriates.

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.

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 sell travel insurance under a limited lines travel insurance producer business entity license if certain conditions are met. Some of those conditions are:

1. The limited lines producer or travel retailer provides a description of the terms of the contract, a description of how to file a claim, a description of the review or cancellation process for the travel insurance policy, and the identity and contact information of the insurer and limited lines travel insurance producer.

2. The limited lines travel insurance producer must maintain a register of each travel retailer that offers travel insurance on the limited lines travel insurance producer's behalf.
3. The limited lines travel insurance producer has designated one of its employees who is a licensed, as the person responsible for the limited lines travel insurance producer's compliance with Chapter 58 and administrative rules adopted by the Commissioner.
4. The person designated above in (3) or any officer who directs or controls the limited lines travel insurance producer's insurance operations must comply with the fingerprinting requirements applicable limited lines travel insurance producer's resident state.
5. The limited lines travel insurance producer must pay all applicable licensing fees.
6. The limited lines travel insurance producer must require employees and authorized representative of the travel retailer who are going to offer and disseminate travel insurance to receive training.

When will the Limited lines travel insurance producers license be available?

Individuals and business entities may apply for a limited lines travel producers license on or after January 1, 2014.

Who can apply for a "limited lines travel insurance producer license"?

An individual or business entity may apply for a limited lines travel insurance producer license.

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 its license are exempt from examination and continuing education.

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 has a \$100.00 license fee and a \$50.00 application fee. The applicant should submit an electronic application through the National Insurance Producer Registry (NIPR) at www.nipr.com.

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

The Limited Lines Travel Business Entity license has a renewal fee of \$100.00 and a \$40.00 processing fee. The renewal application is due by 3/31 annually. The licensee should submit an electronic renewal application through the National Insurance Producer Registry (NIPR) at www.nipr.com

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

The travel retailer offering or disseminating travel insurance shall make available to prospective purchasers brochures or other written materials that include all of the following:

- The identity and contact information of the insurer and the limited lines travel insurance producer.
- An explanation that the travel insurance purchase is not necessary to purchase any other product or service from the travel retailer.
- A disclaimer that the 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.

How can travel insurance be sold?

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