

## Frequently Asked Questions for Travel Insurance Producers in Pennsylvania:

On May 31, 2018, Governor Wolf signed into law SB 630, which completely changed the travel insurance industry. This bill created an entirely new travel insurance license, known as the “limited lines travel insurance producer license.” With this new license comes a new fee and new requirements of the entity or individual who holds this license. This law, known as [Act 26](#), will go into effect September 28, 2018 and this is what you need to know:

- 1. What is the cost of this new license?**
  - a. \$400 when you apply and \$400 every 2 years when you must renew.
  
- 2. If you hold this new license, what are the new business practices you must comply with by law?**
  - a. Please reference “Pennsylvania Travel Insurance Producer Responsibilities” document.
  
- 3. What are the key differences between this new license and the old limited lines travel license?**
  - a. This new license allows for an entity or individual to obtain one license and have multiple travel retailers and unlicensed individuals offer and disseminate travel insurance underneath them provided certain requirements are met; whereas with the old limited lines license, all persons were required to be licensed to sell, solicit or negotiate travel insurance (which would have included some of the duties now defined under “offer and disseminate”).
  
- 4. What is the difference between “sell, solicit, and negotiate,” and “offer and disseminate?”**
  - a. In accordance with the Producer Licensing Act (40 P.S. § 310), “**sell**” is defined as: to exchange a contract of insurance by any means for money or its equivalent on behalf of an insurance entity. “**Solicit**” is defined as: to attempt to sell insurance or ask or urge a person to apply for a particular kind of insurance from a particular insurance entity. “**Negotiate**” is defined as: To confer directly with or to offer advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning the substantive benefits, terms or conditions of the contract, provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers.
  - b. Per Act 26, “**offer and disseminate**” is defined as: to provide general information, including a description of the coverage and price, as well as processing an application for travel insurance, collecting premiums and performing other activities for which no insurance license is required.

- 5. What will happen to all producers who currently hold a limited lines license with a travel line of authority?**
  - a. On 9/28/18, all limited lines insurance producer licenses with the travel line of authority will automatically be converted to the new limited lines travel insurance producer license, and the prior license will cease to exist.
  
- 6. After the conversion occurs, when will I be expected to renew my license?**
  - a. All conversions will be granted a new license period, so renewal for individuals will be due at the end of the producer's birth month following 9/28/20. Renewals for agencies that are converted will be due 9/28/20.
  
- 7. What if I will be offering and disseminating under an entity that holds a limited lines travel insurance producer license? Will I have to keep this license?**
  - a. If you are offering or disseminating travel insurance at a location that is covered under a limited lines travel insurance producer license, then you do not need to have your own individual license. The only reason why someone would need a license is if they were going to be the designated licensee and sell, solicit or negotiate travel insurance products. Since you will not need a license and will be covered under the travel insurance producer's license, you could either surrender your license voluntarily or let your license lapse at renewal.
  
- 8. Who is the designated licensee and what are his/her responsibilities?**
  - a. The designated licensee is the individual who holds a limited lines travel insurance producer license and therefore he/she can sell, solicit, and negotiate coverage under a policy of travel insurance. The designated licensee will oversee unlicensed individuals offering travel insurance at travel retailers. If you are the designated licensee, you may have to supervise the administration of a training program for unlicensed employees offering travel insurance and you will be expected to oversee the compliance of travel retailers. The designated licensee will also be responsible for the licensed agency's compliance with the insurance laws and regulations in PA.
  
- 9. Will the designated licensee be required to be appointed with the company?**
  - a. Yes, each designated licensee will be required to be appointed with the insurance company through which the travel insurance is being offered.
  
- 10. Will an agency be required to be appointed with the company?**
  - a. Yes, if an agency decides to obtain a limited lines travel insurance producer agency license, then it will need to be appointed with the insurance company through which the travel insurance is being offered.

**11. What is the difference between the designated licensee and an unlicensed employee working for the travel retailer?**

- a. The designated licensee can sell, solicit, and negotiate coverage under a policy of travel insurance; whereas, the unlicensed individual can only offer and disseminate travel insurance to consumers. An unlicensed individual CANNOT evaluate or interpret the technical terms, benefits and conditions of the offered travel insurance coverage, evaluate or provide advice concerning a prospective customer's existing insurance coverage, or advertise, represent or otherwise hold himself/herself as a licensed insurer, designated licensee or insurance expert.

**12. How will reciprocity with other states work?**

- a. If you are licensed to sell travel insurance in your resident state and you wish to sell, solicit, or negotiate travel insurance in Pennsylvania, you will need to apply for a non-resident limited lines travel insurance license. In doing this, you will also be required to submit fingerprints at an Identogo enrollment center (pre-register at <https://uenroll.identogo.com>, use service code 1KG8Q3). This license will allow you to become a designated licensee for a licensed limited line travel insurance agency. If you are a sole proprietor, you may also have unlicensed individuals offer and disseminate travel insurance underneath your individual license. You must register any fictitious or doing business as names with the Department.
- b. If you have a business entity (agency) that is licensed to sell travel insurance in your resident state and the entity wishes to sell, solicit or negotiate travel insurance in Pennsylvania, you will need to apply for a non-resident limited lines travel insurance producer agency license. At least one individual must be licensed as a limited lines travel insurance producer in Pennsylvania to act as the agency's designated licensee.
- c. If you are a resident of a state other than Pennsylvania, and will only be offering and disseminating travel insurance in Pennsylvania under the guidance of a limited lines travel insurance producer licensed in Pennsylvania, you will not be required to obtain a limited lines travel insurance producer individual license. This applies to both individuals and entities.

**13. If I have a producer license with the P&C lines of authority can I still sell travel insurance?**

- a. Yes, if you want to continue selling travel insurance on your own, as you are currently able to do, you may; however, if you want to operate as a designated licensee for a travel insurance producer in this new structure established by Act 26 (\*see graphic below\*), where you will have the ability to have unlicensed individuals offering and disseminating underneath you, you will need to obtain a limited lines travel insurance producer license and be appointed with the company through which the travel insurance is being offered.

**Travel Insurance Structure Established by Act 26:**

