

## **LICENSING AND APPOINTMENT GUIDELINES**

### **Guidelines for Non-Licensee Call Centers and Call Center Representatives for Travel Insurance**

#### **Overview**

These guidelines describe the approach by which a non-licensee call center and its call center representatives (collectively referred to herein as the “Non-Licensee”) may make information regarding travel insurance available without triggering a licensing requirement. Underlying this approach is the requirement that the Non-Licensee does not sell, solicit, or negotiate the insurance, described in greater detail, below. If the Non-Licensee sells, solicits, or negotiates insurance, they must be appropriately licensed and appointed where required.

It is the responsibility of the call center and call center representatives to know and comply with the states insurance laws and regulations when engaged in the business of insurance.

#### **Sell, Solicit, Negotiate**

**Sell:** To exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company or licensed producer. This would include, but not be limited to, acts such as indicating that requested insurance coverage will be bound or issued, and binding insurance coverage.

**Solicit:** Attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company. This would include, but not be limited to, describing insurance rates by referencing a published or printed list.

**Negotiate:** The act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of 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. This would include, but not be limited to, explaining, discussing or interpreting the insurance coverage, analyzing exposures or policies, or giving opinions or recommendations as to the insurance coverage, or urging or advising any prospective purchaser to buy a particular policy or to insure with a particular company.

#### **What the Non-Licensee May Do**

There are certain acts that are considered not to trigger a licensing requirement in most states. These acts are:

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- Dispensing general information, so long as no conversation relating to the terms of the plan or coverage takes place. For scripting purposes, this would include an offer to send information or direct the customer to a source (website, toll-free number) related to the insurance offer.
- Stating rates supplied by a licensed producer, whether supplied by physical delivery or electronic means, as long as there is no discussion of the terms, benefits, or conditions of the policy.
- Communicating with a customer to obtain factual information for a licensed insurance producer to complete a review. This is limited to collection of customer information on behalf of a licensed producer, so that the licensed producer may review and bind an application for insurance.
- The Non-Licensee may ask the customer if he or she would like to hear a recorded message from a licensed producer regarding insurance and may play the recording for the customer. However, if the customer wishes to purchase the insurance or has any questions about the insurance, the customer should be referred to the licensed producer, telephone number, or website of the licensed producer. The recording must clearly identify the licensed producer making the offer.
- As an administrative function, the Non-Licensee may receive premiums as part of the overall transaction with the consumer, except in states described in the next section.
- As an administrative function, the Non-Licensee may record that a customer is purchasing insurance. For example, checking a box, or notation in the reservation system.
- Recording the call as a record of insurance enrollment, if the Non-Licensee does not receive compensation based on sales of the insurance, and is not selling, soliciting, or negotiating insurance.
- Except in California, Florida, Montana, New Mexico, and Texas, the Non-Licensee may be compensated based on the amount of insurance sales, as long as these guidelines are followed, and the Non-Licensee does not sell, solicit, or negotiate the insurance.

Note that the Non-Licensee, brochures, and other insurance information **must** identify the licensed insurance producer. In the case of a non-licensee call center where there is no designated licensed producer or licensed entity, Travel Guard Group, Inc. would be identified as the licensed producer.

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### **What the Non-Licensee May Not Do**

In addition to selling, soliciting, and negotiating, as defined above, the following acts are considered selling, soliciting, or negotiating insurance, and therefore trigger a licensing requirement:

- Discussing the terms or details of the insurance coverage.
- Offering a quote where the quote is developed based on a discussion of the terms, benefits, or conditions of the insurance policy.
- Advising as to the need for insurance, recommending the purchase of insurance, or describing the importance of insurance.
- Binding the coverage or indicating to the customer that the coverage will be bound or issued. Customers must be referred to their policy or Descriptions of Coverage or a licensed producer for policy information such as coverage effective date.
- Responding to questions related to the insurance.
- Automatic enrollment would be considered urging or advising any prospective purchaser to buy the insurance.
- In Alabama, Kentucky, Pennsylvania, South Carolina, Texas, and West Virginia, collecting premium triggers a licensing requirement.

Note that this is not a complete list of all the acts that trigger a licensing requirement, and is intended to represent only samples of acts that trigger a licensing requirement.

### **Call Center Scripting Examples**

Below is a list of some examples of permissible and non-permissible scripting:

#### **Permissible:**

*“The cost of your booking including optional activities, transfers and taxes is \$x. Optional travel insurance for this itinerary is provided by Travel Guard. We will be sending you the additional information as requested. This will include information on the Travel Insurance offered through Travel Guard.”*

*“The cost of your booking including optional activities, transfers and taxes is \$x. There is also travel insurance available. Information on the travel insurance plan is available on our website.”*

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*“The cost of your booking including optional activities, transfers and taxes is \$x. You have indicated your client would like the travel insurance plan offered by Travel Guard. Can you please confirm that your client has reviewed the insurance Description of Coverage?” IF YES, the Reservations agent can proceed with booking. IF NO, “A full description of coverage can be found on our website at [www.xxx.com](http://www.xxx.com).” We will proceed with the booking excluding travel insurance. Once your client has had an opportunity to review the Description of Coverage, please call us back and we can add insurance.*

*“The cost of your booking including optional activities, transfers and taxes is \$x. You have indicated you would like the Travel Guard travel insurance plan. Can you please confirm that you have reviewed the insurance Description of Coverage?” IF YES, the Reservations agent can proceed with booking. IF NO, “A full description of coverage can be found on our website at [www.xxx.com](http://www.xxx.com)” We will proceed with the booking excluding travel insurance. Once you have had an opportunity to review the Description of Coverage, please call us back if you would like to add insurance.”*

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