



Dear Colleagues:

In 2014, several state insurance departments initiated market conduct examinations and investigations of the travel insurance industry generally. To resolve these examinations and investigations, participating states insurance departments have offered the opportunity for many of these insurance companies to enter into a Regulatory Settlement Agreement (the "Agreement") without any admission of wrongdoing. In an effort to get this matter resolved, Arch Insurance Company ("Company") thought it in its best interest for itself and its partners and clients to enter into this Agreement. You may link to the Agreement at the following web address:

<https://insurance.mo.gov/Contribute%20Documents/AIC318.pdf>.

Please note the requirements contained in the Agreement as they relate to Distribution Participants (pages 8-10).

All travel insurance companies have a duty to ensure that their distribution participants (including agents and administrators such as TPA's, MGA's, and vacation rental managers) comply with all applicable laws and regulations for agents and administrators who are acting on the Company's behalf. Pursuant to the terms of the Agreement, Arch hereby notifies you of the following specific regulatory requirements.

- The solicitation and purchase of insurance is governed by applicable state law and anyone found violating state law may be subject to license revocation, administrative fines, civil penalties and other remedial actions provided for by applicable state law.
- No one may charge a separate fee for travel insurance in addition to the travel insurance premium or add any charges or fees for any of the Company's travel insurance products or related services without a separate written agreement with the insured, unless permitted by applicable law, and must comply with all state antirebating laws in connection with the sale of travel insurance.
- No one may offer or sell travel insurance policies using an opt-out marketing plan unless using opt-out for insurance is permitted by applicable law.
- No one may undertake to engage in underwriting or taking risk that would be considered the business of insurance, as defined by law, without a valid certificate of authority to do so, unless permitted by applicable law.
- No one may represent that travel insurance is compulsory, or require or mandate the sale of travel insurance as a condition for the purchase of a trip or travel package, unless permitted by applicable law.
- No one may sell in the same package or include or require in the sale of travel insurance the costs of non-insurance assistance services or travel cancellation

fee waivers to consumers, or conversely sell in the same package or include or require in the sale of non-insurance assistance services or travel cancellation fee waivers, the cost of travel insurance, where prohibited by applicable law.

Arch is required to work in good faith with its licensed and registered distribution participants to ensure that this Notice is provided to all distribution participants that offer or sell Company's travel insurance. Please forward a copy of this Notice to all travel retailers and business entities offering or selling Arch Insurance Company's Travel Insurance.

Please contact ArchRSA@archinsurance.com if you have any questions.