

INFORMATION SHEET FOR LICENSING CONDITION ON MANDATORY PROVISION OF INFORMATION TO CONSUMERS REGARDING PURCHASE OF TRAVEL INSURANCE

About the Additional Licensing Condition

What is it about? With effect from 15 Jul 2015, all travel agents will be required to inform outbound consumers to consider purchasing travel insurance that insures against its own insolvency and to record the consumers' decision regarding the purchase of such insurance.

What is its purpose? To educate and remind consumers of the measures they can take to safeguard their interests when making travel bookings.

Who is affected? The licensing condition will apply to all travel agents arranging outbound leisure travel, where on a per person basis,

1. S\$500 and above is collected as deposit or payment before departure, OR
2. the total value of travel product(s) is \$1,000 and above (including GST).

Who is not affected? The licensing condition does not apply to bookings for:

- departures not originating from Singapore (e.g. travellers from other countries visiting Singapore)
- travel products for business entities / clients travelling for business intent.
- outbound leisure travel, where on a per person basis, less than \$500 is collected as deposit or payment before departure AND the total value of travel product(s) is less than \$1,000 (including GST).

What are outbound leisure bookings? These are travel products for use in a personal capacity and where travel originates from Singapore.

Implementation of the Additional Licensing Condition

What do travel agents have to do? Broadly, when arranging such outbound leisure bookings, every travel agent has to:

- inform the client to consider purchasing travel insurance for all the travellers to insure against the insolvency of the travel agency;
- record the client's decision and certain other particulars

For clients who wish to purchase such travel insurance, the travel agent has to either:

- (for Trade Specific Agent (TSA) who sell such travel insurance) proceed to facilitate the purchase of such travel insurance

OR

- (for TSAs who do not sell such travel insurance and for non-TSAs) refer the client to STB’s list of insurers carrying such travel insurance.

For clients who do not wish to purchase such travel insurance, they can proceed with the booking as per travel agent’s normal procedure and record the client’s decision

We understand that this requirement has different implications based on your mode of operations. Please refer to Annex A on suggested steps that travel agents can take to implement the licensing condition when arranging bookings, and Annex B for the evidence to show that the licensing condition has been fulfilled for some broad modes of operation.

What information must travel agents record?

Travel agents must record the following information:

- a. Name of client;
- b. Travel agent reference number (e.g. booking reference number, invoice number);
- c. Names of travellers;
- d. Client’s decision on travel insurance purchase; and
- e. in some cases, certain particulars of the travel insurance purchased (mentioned under “Proof of Insurance Purchase”).

Travel agents must also obtain the client’s acknowledgement through unique authentication. For physical acknowledgement, this means the client’s signature and the date. For other unique authentication, these may include the client’s acknowledgement via email and multimedia messaging.

The forms in Annex C and D are provided to ensure compliance with the new licensing condition.

Travel agents have the discretion to adapt these forms for the purposes of implementing the forms in their systems and processes (e.g. travel agents with online platforms). Travel agents that deviate from the forms bear the risk of not complying with the licensing condition.

How long must travel agents keep the records?

Travel agents are required to keep the records for at least a year. These records can be kept in electronic or physical form.

How will STB check for compliance?

STB’s checks will include auditing a travel agent’s transactions with consumers and requesting for records to prove that they have informed consumers, and recorded their decisions and

certain particulars on the purchase of travel insurance.

What if the client wants to purchase such travel insurance immediately after receiving the mandated information?

If you are a TSA selling such a travel insurance product, you may immediately assist your client in the purchase.

If you do not offer such travel insurance, you should refer your client to STB's list of travel insurance products that covers for travel agent insolvency. Once they have made their purchase, you should then seek and record the particulars of their insurance before collecting any deposit or payment.

Non-TSA travel agents must refrain from soliciting any insurance business for any particular insurer and refrain from illegally acting as an insurance agent.

What if the client does not want to purchase such travel insurance now?

The decision to purchase such travel insurance should be left to the client. The travel agent should not force nor pressure the client to purchase such travel insurance. The travel agent should record the client's decision. The travel agent may proceed with making the booking arrangement, as per normal, where the client:

- a. wishes to purchase such travel insurance later; or
- b. does not wish to purchase such travel insurance.

What if the client has already purchased such travel insurance?

Record the client's declaration and proceed with the booking arrangement as per normal.

Appeal against the licensing condition

Travel agents who are unable to comply with the implementation of the additional licensing condition may submit an appeal to the Industry Division (Tourism) of the Ministry of Trade and Industry (MTI) within a 30-day appeal period.

Attention to: Industry Division (Tourism)
Ministry of Trade and Industry (MTI)
100 High Street, #09-01
The Treasury
Singapore 179434

Following the effective date, all travel agents (including those who have submitted their appeal) are to comply unless Minister has made a decision to rule in favour of their appeal. Those who do not, run the risk of having their licence suspended, revoked or not renewed.

Proof of Purchase of Insurance

What is the information required to prove that such travel insurance was bought?	Travel agents will need to collect the following information from clients as proof of purchase: <ol style="list-style-type: none">Name of insurerName of policyPolicy reference numberName of insured travellers
Is there a need to verify that such insurance has been bought?	Travel agents are to verify the purchase of such travel insurance by recording the policy information from clients.

Becoming a Trade Specific Agent (TSA)

How can my travel agency become a TSA?	<p>Please approach the insurers whose travel insurance product you wish to sell to find out how you can be their TSA.</p> <p>Some of the requirements include attending a course on “Certificate of Proficiency in Travel Insurance” and passing the assessment. For more information on this course, please refer to the Tourism Management Institute of Singapore website (www.tmis.edu.sg).</p>
When will the course be held?	The course dates are available on the Tourism Management Institute of Singapore website (www.tmis.edu.sg).
How can I be included in the list of travel agents that are TSA posted on STB website?	<p>Travel agents who are TSAs and selling travel insurance insuring against their own insolvency, but are not included in STB’s list, can email STB at stb_ta@stb.gov.sg with the title “<i>List of TA who are TSA</i>”. Upon verification, STB will include the travel agent.</p> <p>Please provide the following information when notifying us.</p> <ol style="list-style-type: none">Name of travel agentTravel agent licence numberGIA numberPrimary PrincipalSecondary Principal(s)
What if there is a change in my status as a travel agent that is a TSA?	Please email stb_ta@stb.gov.sg with the title “ <i>List of TAs who are TSA</i> ” if there is any change to your status, as soon as possible, so that the list can be updated upon STB’s verification.

List of Travel Insurance Providers

Who are the providers of such travel insurance in Singapore?	As of 15 June 2015, more than half of the insurance companies in Singapore include some coverage on travel agent insolvency in their main travel insurance product. Please refer your clients to STB’s list if you are not a TSA or you do not sell such travel
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insurance

<https://www.stb.gov.sg/industries/travel-agents/Documents/TInsurers.pdf>.

Useful Contacts

Singapore Tourism Board

Address

Tourism Court
1 Orchard Spring Lane
Singapore 247729

Tel : 67366622

Fax : 67369423

Email: stb_ta@stb.gov.sg

Website: www.stb.gov.sg

General Insurance

Association of Singapore (GIA)

Address

180 Cecil Street
#15-01
Bangkok Bank Building
Singapore 069546

Tel: 62218788

Fax: 62272051

Website: www.gia.org.sg

Tourism Management Institute of Singapore (TMIS)

Address

11 Eunos Road 8
#05-02
Lifelong Learning Institute
Singapore 408601

Tel: 62388688

Fax: 622388088

Email: info@tmis.edu.sg

Website: www.tmis.edu.sg

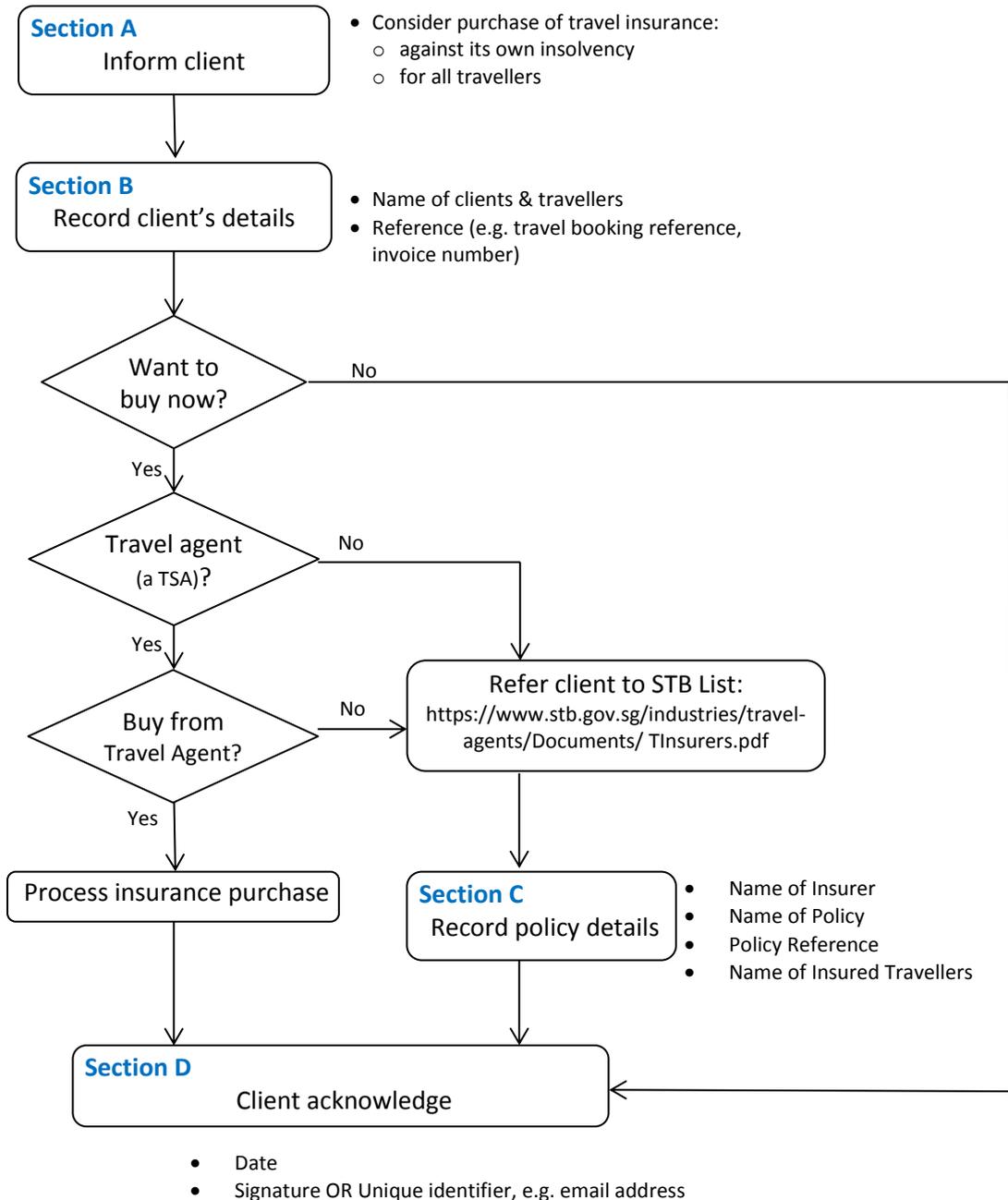
Annex A: Implementing licensing condition when arranging bookings

(Reference made to Section A, B, C, D of *Forms for Licensing Condition* found in Annexes C and D)

Suggested Steps:

Before collecting deposit or payment for the booking of travel product(s):

- Client who is not a business entity AND
- Travelling out of Singapore for leisure purpose AND
- On a per person basis, \$500 and more in deposit or payment OR S\$1,000 and more (including GST) in travel product value.



Proceed with collecting deposit or payment for the arrangement of travel product(s).

Annex B: Evidence required on compliance of licensing condition

Forms of Transactions	Evidence Required
Face-to-Face interaction	<ul style="list-style-type: none">• Form as per Annex C• (If travel agent is a TSA and client chooses to purchase such travel insurance against the travel agent's insolvency) Records of insurance policy sold following form as per Annex D
Email or fax	<ul style="list-style-type: none">• Form as per Annex C• (If travel agent is a TSA and client chooses to purchase such travel insurance) Records of insurance policy sold following form as per Annex D
Phone call	<ul style="list-style-type: none">• Phone recording of information as requested on Form as per Annex C• (If travel agent is a TSA and client chooses to purchase such travel insurance) Records of insurance policy sold following form as per Annex D
Online system booking	<ul style="list-style-type: none">• Record of information as requested on Form (Annex C)• (If travel agent is a TSA and client chooses to purchase such travel insurance) Records of insurance policy sold following form as per Annex D

Annex C: Form for Travel Agent who is not a Trade Specific Agent

PROVISION OF INFORMATION BY TRAVEL AGENT WHO IS NOT A TRADE SPECIFIC AGENT

Section A – Travel Insurance against Insolvency

As a licensing condition of the Singapore Tourism Board, we _____ (*Name of Travel Agent*) are required to inform you, the Client, to consider purchasing travel insurance –

- (a) against any failure or disruption in our provision of the travel product arising out of any insolvency on our part; and
- (b) in favour of all travellers for whom the payment or deposit is to be made.

Section B – Decision to Purchase Travel Insurance

Before we can accept any payment or deposit from you for your travel product, we are required to record the following particulars:

Your Full Name	
Travel Product Ref. No.	
Names of Travellers	

Do you wish to purchase the travel insurance described above at this time? (Tick appropriate box)

<input type="checkbox"/>	Yes	I wish to purchase such travel insurance myself with reference to the Board's list of insurers at https://www.stb.gov.sg/industries/travel-agents/Documents/TInsurers.pdf .
<input type="checkbox"/>	No	Reasons include "I will purchase such travel insurance later", "I have already purchased such travel insurance" or "I do not wish to be insured".

Optional – Particulars of Travel Insurance (repeat for each Certificate of Insurance)

Name of Insurer	
Name of Policy	
Policy Ref. No.	
Names of Insured Travellers	

Alternatively, please attach or provide a copy of the Certificate of Insurance.

Section C – Acknowledgement

You acknowledge the risk if you do not purchase travel insurance against insolvency. Please acknowledge the accuracy of this form by signing below or by providing other unique written authentication (such as email or multimedia message) against the completed contents of this form.

Signature of Client and Date	Name of Travel Agent staff and Date
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Annex D: Form for Travel Agent who is a Trade Specific Agent

PROVISION OF INFORMATION BY TRAVEL AGENT WHO IS A TRADE SPECIFIC AGENT

Section A – Travel Insurance against Insolvency

As a licensing condition of the Singapore Tourism Board, we (Name of Travel Agent) are required to inform you, the Client, to consider purchasing travel insurance –

- (a) against any failure or disruption in our provision of the travel product arising out of any insolvency on our part; and
- (b) in favour of all travellers for whom the payment or deposit is to be made.

Section B – Decision to Purchase Travel Insurance

Before we can accept any payment or deposit from you for your travel product, we are required to record the following particulars:

Your Full Name	
Travel Product Ref. No.	
Names of Travellers	

Do you wish to purchase the travel insurance described above at this time? (Tick appropriate box)

<input type="checkbox"/>	Yes	I wish to purchase such travel insurance through the travel agent.
<input type="checkbox"/>	Yes	I wish to purchase such travel insurance myself with reference to the Board's list of insurers at https://www.stb.gov.sg/industries/travel-agents/Documents/TInsurers.pdf .
<input type="checkbox"/>	No	Reasons include "I will purchase such travel insurance later", "I have already purchased such travel insurance" or "I do not wish to be insured".

Optional – Particulars of Travel Insurance (repeat for each Certificate of Insurance)

Name of Insurer	
Name of Policy	
Policy Ref. No.	
Names of Insured Travellers	

Alternatively, please attach or provide a copy of the Certificate of Insurance.

Section C – Acknowledgement

You acknowledge the risk if you do not purchase travel insurance against insolvency. Please acknowledge the accuracy of this form by signing below or by providing other unique written authentication (such as email or multimedia message) against the completed contents of this form.

Signature of Client and Date	Name of Travel Agent staff and Date
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