BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE OF THE STATE OF TENNESSEE

TENNESSEE INSURANCE DIVISION,	)	
Petitioner,	)	
	)	
vs.	)	**No.: 06-103**
	)	**12.01-093275J**
TRIP ASSURED, INC.	)	
Respondent.	)	

ORDER TO CEASE AND DESIST

This Order issues as a result of a Petition hereto filed by the Tennessee Insurance Division of the Department of Commerce and Insurance (hereinafter referred to as the "Division") and is predicated upon the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. Trip Assured, Inc. (hereinafter referred to as "Trip Assured") is a business entity with the address of 80 Miller Avenue, Suite 105, Crossville, Tennessee 38555. Trip Assured became licensed as a business entity insurance producer on October 27, 2005.

2. On or around August 17, 2001, Edward M. Johnson incorporated Trip Assured in the State of Tennessee (Secretary of State I.D. Number 0412823).

3. As represented on Trip Assured's brochures, Trip Assured is in the business of "Trip, Cruise, Tour & Hotel Protection." This travel protection is extended to those individuals that apply for and receive membership in Trip Assured.

4. Trip Assured offers a plan (hereinafter referred to as the "Trip Assured Plan") that contains several different types of benefits. Some of the benefits are underwritten through an insurance company, while others are paid directly by Trip Assured.

5. Trip Assured's brochures used up to the beginning of this year represented the benefits of the Trip Assured Plan to be the following:

> **Trip Cancellation and Interruption** up to the amount of purchase for non-refundable and non-exchangeable trip deposits, airline tickets, hotel penalties, cruise line and other charges already paid by you when you must cancel your trip due to a covered reason. 'Covered reasons' include: unforeseeable sickness, injury or death of you, an immediate family member or traveling companion. Other reasons include the bankruptcy of a tour operator, cruise line or airline, if you are subpoenaed or ordered to report for military duty; or jury duty.
>
> **Emergency Accidental Medical or Dental expense up to $10,000** reimburses the medical expenses of any injury occurring on your trip, including doctors, hospital, x-ray, and nursing not covered by your insurance program.
>
> **Emergency Medical Transportation – Unlimited** – pays for transportation ordered by a doctor to the nearest adequate medical facility not covered by your insurance program.
>
> **Baggage Loss up to $1,000** reimburses you for lost or stolen checked baggage while on your trip. This is secondary to common carrier coverage.
>
> **Trip Delay for up to $1,000** reimburses you for hotel and taxi expenses should your trip be delayed for 10 or more hours.
>
> **Pre-existing Conditions Accepted** – If your doctor thinks it's okay to go, we do too, if purchased within 14 days of initial payment.
>
> **Accidental Death/$100,000** pays for the loss of life as a result of an accident on an air flight or cruise ship, under age 80.
>
> **Airline Penalty up to $50** reimburses you if you change the dates of your travel and the airline charges you a "change fee" penalty. (One per trip.)
>
> **Travel Assistance** – Included 24 hours a day.
>
> **Free Look Grace Period** – Full refund if you notify TRIP ASSURED in writing within ten (10) days, and your trip has not started.

6. The trip cancellation coverage guaranteed the policyholder that when a trip is cancelled for a covered reason, Trip Assured will either assist the policyholder in rebooking the

cancelled trip, or pay the policyholder to indemnify the policyholder the cost of the trip. This coverage is not underwritten by an insurance company, and Trip Assured has complete exposure for any risks related to this coverage.

7. It is unclear what the lost and stolen baggage benefit covers, but Trip Assured has represented that it has paid several claims out of this benefit.

8. The trip delay coverage guarantees the policyholder that in the event that a policyholder's trip was delayed for ten (10) or more hours, Trip Assured will reimburse the policyholder up to $1,000 for the policyholder's hotel and taxi expenses. This coverage is not underwritten by an insurance company, and Trip Assured has complete exposure for any risks related to this coverage.

9. The "change fee" penalty coverage reimburses the policyholder up to $50 for any "change fee" penalty an airline charges the policyholder in the event that the policyholder had to change the date of travel. This coverage is not underwritten by an insurance company, and Trip Assured has complete exposure for any risks related to this coverage.

10. Some of the coverages under the Trip Assured Plan are underwritten by insurance companies. Specifically, the Accidental Death and Dismemberment coverage and the Accidental Medical Expense coverage are underwritten through insurance companies, typically through group policies issued to Trip Assured. However, these group policies have deductibles of approximately $5,000. Trip Assured however, represented to its policyholders prior to the beginning of 2006 that there were no deductibles so it paid any deductibles under these policies on behalf of the policyholder. Trip Assured has complete exposure for any risks related to covering these deductibles.

11. Trip Assured's marketing materials and brochures use terminology that is associated with insurance products, such as "deductible", "co-payment", "claim processing", "beneficiary", "policy", "ten day free look" and "pre-existing condition".

12. Many policyholders and travel agents that Trip Assured uses to sell their products have referred to the trip cancellation coverage as trip insurance in correspondence sent to Trip Assured. Trip Assured has not corrected these policyholders that the Trip Cancellation coverage, in their opinion, was not insurance.

13. The Department has received numerous complaints from policyholders complaining about various actions on the part of Trip Assured in their denial of claims.

14. In or around the early part of 2006, Trip Assured changed the description of benefits on its brochures to the following:

> **Trip Cancellation or Interruption** permits members to cancel or interrupt their trip when they must because of a covered reason. The total cost of the trip including airline, cruiseline and hotel cost must be calculated to determine membership cost. Covered reasons include serious and unforeseen illness or injury of the traveler, an immediate family member or traveling companion. Trip cancellation or interruption permits the re-booking of the trip to a later date without travel supplier penalty. Your travel agency or Trip Assured, Inc. will make all of the arrangements. Membership must be purchased prior to final payment for this benefit however all other benefits will be effective if purchased after final payment.
>
> **Travel Supplier Default** that results in the complete cessation of service because of financial reasons. Benefits include a replacement trip with another travel supplier.
>
> **Emergency Medical Transportation including Evacuation** to the nearest adequate medical facility when ordered by your medical physician and arranged by WorldWide Assistance. This service must be arranged by Worldwide Assistance.
>
> **24 Hour Worldwide Assistance** including many travel related services listed in your membership package.

Lost or stolen checked baggage service includes our assistance on your behalf with the common carrier responsible. Indemnification is limited to amount obligated by the common carrier.

Emergency Accidental Medical, Flight and Cruise Accidental Death or disability is arranged through blanket policies with various insurance companies for the added benefit of members. Benefits and deductibles change from time to time.

15. Even though the current brochures that Trip Assured uses no longer mention the fact that it provides policyholders a reimbursement option with its trip cancellation coverage Trip Assured continues to provide reimbursement to policyholders for covered claims upon request.

16. Trip Assured also offers it's A+ product which includes the above and the following:

Identity Theft Expense Reimbursement Coverage. Beginning on your trip departure date, you will automatically receive this safeguard for six months at no additional cost to you. If your identity has been compromised while on your trip, we will guide you through the steps necessary for restoring your credit profile and provide insurance coverage up to $20,000 for your expenses and loss.

17. Trip Assured actively markets travel agents to sell the Trip Assured Plan. Trip Assured does not take any steps to determine if the travel agents are licensed to sell insurance in their respective states of business even though Trip Assured recognizes that many of the products they offer are insurance products. Trip Assured pays the travel agents that sell the Trip Assured Plan a commission ranging from approximately 30% to 40% of the amount of payment made by the consumer.

18. Some time after the beginning of 2006, Trip Assured began offering its Cancel for Any Reason product. This product offered the following benefits:

Trip Cancellation FOR ANY REASON - 90% Cash Back up to the amount of purchase (limit $2,000) for non-refundable, non-exchangeable trip deposits, airline tickets, hotel penalties, cruise line and other charges paid by you when you must cancel your trip FOR ANY REASON. You must notify the appropriate travel suppliers of you cancellation within 24 hours of the occurrence. Your reservations

must be cancelled at least 24 hours prior to scheduled departure. No Reimbursements will be made in the event of "NO SHOWS." Total trip cost must be $2,000 or less.

Emergency Accidental Medical or Dental Expense up to $10,000 - reimburses the medical expenses of any emergency injury occurring on your trip, including doctors, hospital, x-ray, and nursing not covered by your insurance program.

Accidental Death - pays for the loss of life as a result of an accident on an air flight or cruise ship. $200,000 for flight, $100,000 for cruise.

19. In addition to the above, Trip Assured represents that there are no deductibles or co-payments for Cancel for Any Reason policyholders.

20. Trip Assured represents to travel agents that they will receive a commission of $50.00 for each Cancel for Any Reason contract they are able to sell.

21. Trip Assured is not licensed to issue insurance in the State of Tennessee as an insurance company and does not have a licensed insurance company underwriting all of their products.

CONCLUSIONS OF LAW

1. Tenn. Code Ann. § 56-2-102 provides, in pertinent part, that "[n]o domestic insurance company or foreign insurance company shall commence business in this state until it...has received from the commissioner a certificate of authority to do business."

2. Tenn. Code Ann. § 56-2-105 provides, in pertinent part, that "[i]t is unlawful for any company to enter into a contract of insurance as an insurer or to transact insurance business in this state without a certificate of authority from the commissioner."

3. Tenn. Code Ann. § 56-2-107 provides, in pertinent part, that the solicitation of applications for contracts of insurance, effected by mail or otherwise, is to be considered to be among those acts deemed to constitute transacting insurance business in this state.

4. Tenn. Code Ann. § 56-2-302 provides, in pertinent part, that whenever the Commissioner determines that a company is violating or about to violate the provisions of Tenn. Code Ann. § 56-2-105, the Commissioner may issue a notice of hearing and charges requiring the company to show cause why an order should not issue requiring the entity to cease and desist the unauthorized business of insurance in this state.

5. Tenn. Code Ann. § 56-2-304 provides, in pertinent part, that if the Commissioner finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in an order, a summary cease and desist order may be issued pending proceedings for other actions under this Title 56, Chapter 2, Part 3.

6. Tenn. Code Ann. § 56-2-108(a) provides that "[a]ny company that violates Tenn. Code Ann. § 56-2-105 is subject to a fine and/or civil penalty of not less than one hundred dollars ($100) nor more than five thousand dollars ($5,000) for each violation."

7. The Findings of Fact, above, demonstrate that Trip Assured is violating Tenn. Code Ann. §§ 56-2-102 and 56-2-105 by engaging in the business of insurance in this state without a certificate of approval issued by the Commissioner. Such violation subjects Trip Assured to the sanctions provided in both Tenn. Code Ann. § 56-2-302 and Tenn. Code Ann. § 56-2-108.

8. Because Trip Assured operates as an unauthorized insurance company, those that purchase insurance from or through it face serious risks. The underwriting of insurance by the Respondent without any substantive regulatory oversight to ensure lawful policy forms, rates, claims handling, and, most importantly, the financial solvency of the Respondent leaves those policyholders in danger. If an insurer does not have adequate reserves to cover its liabilities, many policyholders may be effectively without insurance coverage. These drastic contingencies necessitate the

Division's petition for summary relief in this case so as to prevent further unauthorized operation of the Respondent without a certificate of authority. As the policyholders of the Respondent are entitled to all of the protections that insurance regulation provides, the public health, safety, or welfare imperatively require emergency action such as that action requested in the Division's prayer.

NOW, THEREFORE, in consideration of the foregoing, it is **ORDERED** that:

1. Trip Assured shall immediately cease and desist further violations of Tenn. Code Ann. §§ 56-2-102 and 105 by engaging in the business of insurance in this state as an insurance company without a certificate of authority issued by the Commissioner;

2. If requested by Trip Assured, an informal conference shall be held to discuss the circumstances affecting the public health, safety or welfare which warranted the issuance of the summary order. A date for such informal conference will be set, and Trip Assured shall be notified of the date when such informal conference may occur should it request one; and

3. A hearing date is to be established as to all other matters raised in the Petition, and Trip Assured shall be notified of the time, date and place for such hearing.

Entry of this Order shall not in any way restrict the Tennessee Insurance Division or the Commissioner of Commerce and Insurance from taking further action with respect to these or other possible violations by the Respondent of Tennessee Law or any of the Rules promulgated thereunder.

This Order shall become a Final Order thirty (30) days from the date of its entry.

IT IS SO ORDERED.

ENTERED this the 6th day of September, 2006.

Paula A. Flowers
Commissioner

APPROVED FOR ENTRY:

Tracey Gentry Harney
Tony Greer (BPR#023657)
Staff Attorneys
Department of Commerce and Insurance
500 James Robertson Parkway
Davy Crockett Tower, Twelfth Floor
Nashville, Tennessee 37243
615 741 2199

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE OF THE STATE OF TENNESSEE

TENNESSEE INSURANCE DIVISION,	)
Petitioner,	)
	)
vs.	)
	)
TRIP ASSURED, INC.,	)
Respondent.	)

AFFIDAVIT

STATE OF TENNESSEE	)
	)
COUNTY OF DAVIDSON	)

I, Larry C. Knight, Jr., having first been duly sworn, do depose and state the following:

1. I currently serve as the Assistant Commissioner of the Tennessee Insurance Division.

2. I have read the attached Petition, and, upon information and belief, verify the factual allegations contained therein.

FURTHER AFFIANT SAITH NOT.

Larry C. Knight, Jr.

SWORN TO AND SUBSCRIBED before me on this 6th day of September, 2006.

Andrea Wenk Hardy
Notary Public

My Commission Expires: 11-14-2006

ANDREA WENK HARDY
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY, TENN.

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE OF THE STATE OF TENNESSEE

TENNESSEE INSURANCE DIVISION,	)	
Petitioner,	)	
	)	
vs.	)	**No.: 06-103**
	)	**12.01-093275J**
TRIP ASSURED, INC.	)	
Respondent.	)	

PETITION

Comes now the Tennessee Insurance Division of the Department of Commerce and Insurance (hereinafter referred to as the "Division"), by and through its undersigned counsel, and petitions the Commissioner to issue an order pursuant to Tenn. Code Ann. §§ 56-1-101, *et seq.*, the Tennessee Insurance Law (hereinafter referred to as the "Tennessee Law").

JURISDICTION

1. The Commissioner of Commerce and Insurance has jurisdiction pursuant to Tennessee Law, specifically Tenn. Code Ann. §§ 56-2-302 and 56-6-112.

PARTIES

2. Tenn. Code Ann. §§ 56-1-101, *et seq.*, assigns the responsibility for administration of Tennessee Law to the Commissioner of Commerce and Insurance (hereinafter referred to as the "Commissioner"). The Petitioner, the Division, is the lawful agent through which the Commissioner administers Tennessee Law, and is authorized to bring this action for the protection of insured and the public. The Division's official place of business is in Nashville, Davidson County, Tennessee.

3. Trip Assured, Inc. (hereinafter referred to as "Trip Assured") is a business entity with the address of 80 Miller Avenue, Suite 105, Crossville, Tennessee 38555. Trip Assured became licensed as an business entity insurance producer on October 27, 2005. (An affidavit of Brenda Sechler evidencing such information is attached hereto and marked as Exhibit 1 to this Petition.)

FACTUAL ALLEGATIONS

4. On or around August 17, 2001, Edward M. Johnson incorporated Trip Assured in the State of Tennessee (Secretary of State I.D. Number 0412823). (An affidavit of Robert Heisse evidencing such information is attached hereto and marked as Exhibit 2 to this Petition.)

5. As represented on Trip Assured's brochures, Trip Assured is in the business of "Trip, Cruise, Tour & Hotel Protection." This travel protection is extended to those individuals that apply for and receive membership in Trip Assured. (See Heisse affidavit, at ¶ 5)

6. Trip Assured offers a plan (hereinafter referred to as the "Trip Assured Plan") that contains several different types of benefits. Some of the benefits are underwritten through an insurance company, while others are paid directly by Trip Assured. (See Heisse affidavit, at ¶ 6.)

7. Trip Assured's brochures used up to the beginning of this year represented the benefits of the Trip Assured Plan to be the following:

> **Trip Cancellation and Interruption** up to the amount of purchase for non-refundable and non-exchangeable trip deposits, airline tickets, hotel penalties, cruise line and other charges already paid by you when you must cancel your trip due to a covered reason. 'Covered reasons' include: unforeseeable sickness, injury or death of you, an immediate family member or traveling companion. Other reasons include the bankruptcy of a tour operator, cruise line or airline, if you are subpoenaed or ordered to report for military duty; or jury duty.
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> **Emergency Accidental Medical or Dental expense up to $10,000** reimburses the medical expenses of any injury occurring on your trip, including doctors, hospital, x-

ray, and nursing not covered by your insurance program.

Emergency Medical Transportation – Unlimited – pays for transportation ordered by a doctor to the nearest adequate medical facility not covered by your insurance program.

Baggage Loss up to $1,000 reimburses you for lost or stolen checked baggage while on your trip. This is secondary to common carrier coverage.

Trip Delay for up to $1,000 reimburses you for hotel and taxi expenses should your trip be delayed for 10 or more hours.

Pre-existing Conditions Accepted – If your doctor thinks it's okay to go, we do too, if purchased within 14 days of initial payment.

Accidental Death/$100,000 pays for the loss of life as a result of an accident on an air flight or cruise ship, under age 80.

Airline Penalty up to $50 reimburses you if you change the dates of your travel and the airline charges you a "change fee" penalty. (One per trip.)

Travel Assistance – Included 24 hours a day.

Free Look Grace Period – Full refund if you notify TRIP ASSURED in writing within ten (10) days, and your trip has not started.

(See Heisse affidavit at ¶ 7.)

8. Some time prior to September 2005, the Division requested from Trip Assured a list of the benefits provided by Trip Assured and an explanation as to whether the benefits were underwritten by an insurance company. In response to this request, the Department received a letter from Mr. Johnson to his attorney, W.D. Broemel dated September 28, 2005. (See Heisse affidavit at ¶ 8.)

9. The trip cancellation coverage guaranteed the policyholder that when a trip is cancelled for a covered reason, Trip Assured will either assist the policyholder in rebooking the cancelled trip, or pay the policyholder to indemnify the policyholder the cost of the trip. This

coverage is not underwritten by an insurance company, and Trip Assured has complete exposure for any risks related to this coverage. (See Heisse affidavit at ¶ 9.)

10. It is unclear what the lost and stolen baggage benefit covers, but Trip Assured has represented that it has paid several claims out of this benefit. (See Heisse affidavit at ¶ 10.)

11. The trip delay coverage guarantees the policyholder that in the event that a policyholder's trip was delayed for ten (10) or more hours, Trip Assured will reimburse the policyholder up to $1,000 for the policyholder's hotel and taxi expenses. This coverage is not underwritten by an insurance company, and Trip Assured has complete exposure for any risks related to this coverage. (See Heisse affidavit at ¶ 11.)

12. The "change fee" penalty coverage reimburses the policyholder up to $50 for any "change fee" penalty an airline charges the policyholder in the event that the policyholder had to change the date of travel. This coverage is not underwritten by an insurance company, and Trip Assured has complete exposure for any risks related to this coverage. (See Heisse affidavit at ¶ 12.)

13. Some of the coverages under the Trip Assured Plan are underwritten by insurance companies. Specifically, the Accidental Death and Dismemberment coverage and the Accidental Medical Expense coverage are underwritten through insurance companies, typically through group policies issued to Trip Assured. However, these group policies have deductibles of approximately $5,000. Trip Assured however, represented to its policyholders prior to the beginning of 2006 that there were no deductibles so it paid any deductibles under these policies on behalf of the policyholder. Trip Assured has complete exposure for any risks related to covering these deductibles. (See Heisse affidavit at ¶ 13.)

14. Trip Assured's marketing materials and brochures use terminology that is associated with insurance products, such as "deductible", "co-payment", "claim processing", "beneficiary", "policy", "ten day free look" and "pre-existing condition". (See Heisse affidavit at ¶ 14.)

15. Many policyholders and travel agents that Trip Assured uses to sell their products have referred to the trip cancellation coverage as trip insurance in correspondence sent to Trip Assured. Trip Assured has not corrected these policyholders that the Trip Cancellation coverage, in their opinion, was not insurance. (See Heisse affidavit at ¶ 15.)

16. The Department has received numerous complaints from policyholders complaining about various actions on the part of Trip Assured in their denial of claims. (See Heisse affidavit at ¶ 16.)

17. In or around the early part of 2006, Trip Assured changed the description of benefits on its brochures to the following:

> **Trip Cancellation or Interruption** permits members to cancel or interrupt their trip when they must because of a covered reason. The total cost of the trip including airline, cruiseline and hotel cost must be calculated to determine membership cost. Covered reasons include serious and unforeseen illness or injury of the traveler, an immediate family member or traveling companion. Trip cancellation or interruption permits the re-booking of the trip to a later date without travel supplier penalty. Your travel agency or Trip Assured, Inc. will make all of the arrangements. Membership must be purchased prior to final payment for this benefit however all other benefits will be effective if purchased after final payment.
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> **Travel Supplier Default** that results in the complete cessation of service because of financial reasons. Benefits include a replacement trip with another travel supplier.
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> **24 Hour Worldwide Assistance** including many travel related services listed in your membership package.

> **Lost or stolen checked baggage service** includes our assistance on your behalf with the common carrier responsible. Indemnification is limited to amount obligated by the common carrier.
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> **Emergency Accidental Medical, Flight and Cruise Accidental Death** or disability is arranged through blanket policies with various insurance companies for the added benefit of members. Benefits and deductibles change from time to time.

(See Heisse affidavit at ¶ 17.)

18. Even though the current brochures that Trip Assured uses no longer mention the fact that it provides policyholders a reimbursement option with its trip cancellation coverage Trip Assured continues to provide reimbursement to policyholders for covered claims upon request. (See Heisse affidavit at ¶ 18)

19. Trip Assured also offers it's A+ product which includes the above and the following:

> **Identity Theft Expense Reimbursement Coverage**. Beginning on your trip departure date, you will automatically receive this safeguard for six months at no additional cost to you. If your identity has been compromised while on your trip, we will guide you through the steps necessary for restoring your credit profile and provide insurance coverage up to $20,000 for your expenses and loss.

(See Heisse affidavit at ¶ 19.)

20. Trip Assured actively markets travel agents to sell the Trip Assured Plan. Trip Assured does not take any steps to determine if the travel agents are licensed to sell insurance in their respective states of business even though Trip Assured recognizes that many of the products they offer are insurance products. Trip Assured pays the travel agents that sell the Trip Assured Plan a commission ranging from approximately 30% to 40% of the amount of payment made by the consumer. (See Heisse affidavit at ¶ 20.)

21. Some time after the beginning of 2006, Trip Assured began offering its Cancel for Any Reason product. This product offered the following benefits:

Trip Cancellation FOR ANY REASON - 90% Cash Back up to the amount of purchase (limit $2,000) for non-refundable, non-exchangeable trip deposits, airline tickets, hotel penalties, cruise line and other charges paid by you when you must cancel your trip FOR ANY REASON. You must notify the appropriate travel suppliers of you cancellation within 24 hours of the occurrence. Your reservations must be cancelled at least 24 hours prior to scheduled departure. No Reimbursements will be made in the event of "NO SHOWS." Total trip cost must be $2,000 or less.

Emergency Accidental Medical or Dental Expense up to $10,000 - reimburses the medical expenses of any emergency injury occurring on your trip, including doctors, hospital, x-ray, and nursing not covered by your insurance program.

Accidental Death - pays for the loss of life as a result of an accident on an air flight or cruise ship. $200,000 for flight, $100,000 for cruise.

(See Heisse affidavit at ¶ 21.)

22. In addition to the above, Trip Assured represents that there are no deductibles or co-payments for Cancel for Any Reason policyholders. (See Heisse affidavit at ¶ 22.)

23. Trip Assured represents to travel agents that they will receive a commission of $50.00 for each Cancel for Any Reason contract they are able to sell. (See Heisse affidavit at ¶ 23.)

24. Trip Assured is not licensed to issue insurance in the State of Tennessee as an insurance company and does not have licensed insurance company underwriting all of their products. (An affidavit of Kathy Fussell evidencing such information is attached hereto and marked as Exhibit 3 to this Petition.)

CAUSES OF ACTION

25. Tenn. Code Ann. § 56-2-102 provides, in pertinent part, that "[n]o domestic insurance company or foreign insurance company shall commence business in this state until it...has received from the commissioner a certificate of authority to do business."

26. Tenn. Code Ann. § 56-2-105 provides, in pertinent part, that "[i]t is unlawful for any company to enter into a contract of insurance as an insurer or to transact insurance business in this state without a certificate of authority from the commissioner."

27. Tenn. Code Ann. § 56-2-107 provides, in pertinent part, that the solicitation of applications for contracts of insurance, effected by mail or otherwise, is to be considered to be among those acts deemed to constitute transacting insurance business in this state.

28. Tenn. Code Ann. § 56-2-302 provides, in pertinent part, that whenever the Commissioner determines that a company is violating or about to violate the provisions of Tenn. Code Ann. § 56-2-105, the Commissioner may issue a notice of hearing and charges requiring the company to show cause why an order should not issue requiring the entity to cease and desist the unauthorized business of insurance in this state.

29. Tenn. Code Ann. § 56-2-304 provides, in pertinent part, that if the commissioner finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in an order, a summary cease and desist order may be issued pending proceedings for other actions under this Title 56, Chapter 2, Part 3.

30. Tenn. Code Ann. § 56-2-108(a) provides that "[a]ny company that violates Tenn. Code Ann. § 56-2-105 is subject to a fine and/or civil penalty of not less than one hundred dollars ($100) nor more than five thousand dollars ($5,000) for each violation."

COUNT ONE

31. The Division restates the facts as alleged in Paragraphs 1-24, above, and incorporates them by reference herein.

32. The facts stated in Paragraphs 1-24, above, demonstrate that Trip Assured is violating Tenn. Code Ann. §§ 56-2-102 and 56-2-105 by engaging in the business of insurance in this state without a certificate of approval issued by the Commissioner. Such violation subjects Trip Assured to the sanctions provided in both Tenn. Code Ann. § 56-2-302 and Tenn. Code Ann. § 56-2-108. Such violations also subject it to the revocation of its insurance producer license pursuant to Tenn. Code Ann. § 56-6-112(a)(2).

33. Because Trip Assured operates as an unauthorized insurance company, those that purchase insurance from or through it face serious risks. The underwriting of insurance by the Respondent without any substantive regulatory oversight to ensure lawful policy forms, rates, claims handling, and, most importantly, the financial solvency of the Respondent leaves those policyholders in danger. If an insurer does not have adequate reserves to cover its liabilities, many policyholders may be effectively without insurance coverage. These drastic contingencies necessitate the Division's petition for summary relief in this case so as to prevent further unauthorized operation of the Respondent without a certificate of authority. As the policyholders of the Respondent are entitled to all of the protections that insurance regulation provides, the public health, safety, or welfare imperatively require emergency action such as that action requested in the Division's prayer.

COUNT TWO

34. The Division restates the facts as alleged in Paragraphs 1-24, above, and incorporates them by reference herein.

35. Tenn. Code Ann. § 56-6-103 provides, in pertinent part, that "[a] person shall not sell, solicit or negotiate insurance in this state for any class or classes of insurance unless the person is licensed for that line of authority in accordance with this part."

36. Tenn. Code Ann. § 56-6-112(a)(13) provides, in pertinent part, that the Commissioner may revoke or suspend an insurance producer license upon finding that an insurance producer has accepted insurance business from an unlicensed individual.

37. The facts stated in Paragraphs 1-24, above, demonstrate that Trip Assured is violating Tenn. Code Ann. § 56-6-103 by accepting insurance business from travel agents that are not licensed insurance producers. Such violations subjects the Respondent to the revocation of its insurance producer license pursuant to Tenn. Code Ann. § 56-6-112(a)(2) and (13).

WHEREFORE, PREMISES CONSIDERED, the Division requests the following relief:

1. That the Commissioner issue a cease and desist order ordering Trip Assured to cease further violation of Tenn. Code Ann. §§ 56-1-102 and 105 by engaging in the business of insurance in this state without a certificate of authority issued by the Commissioner;

2. That the Commissioner, pursuant to Tenn. Code Ann. §§ 56-2-304 and 4-5-320(c) issue a summary cease and desist order pending further proceedings for other actions while such violation of Tenn. Code Ann. §§ 56-2-102 and 105 continues;

3. That the Commissioner set a date for an informal conference, pursuant to Tenn. Code Ann. § 4-5-320(d), and set a date for a hearing;

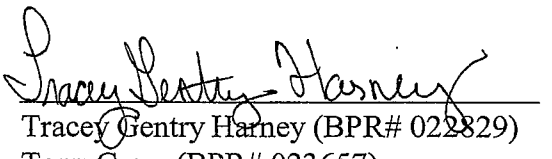
4. That the Commissioner assess a civil penalty consistent with the provisions of Tenn. Code Ann. § 56-1-108;

5. That the Commissioner issue an order revoking the insurance producer license of Trip Assured pursuant to Tenn. Code Ann. § 56-6-112(a) and assess a civil penalty consistent with Tenn. Code Ann. § 56-6-112(e);

6. That if such order is contested, as set forth under the provisions of the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101, *et seq.*, and the rules promulgated thereunder, that the Petitioner be awarded such costs as may be taxable; and

7. For such other relief as the Commissioner may deem just and proper.

Respectfully submitted,



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(615) 741-2199

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE OF THE STATE OF TENNESSEE

TENNESSEE INSURANCE DIVISION,	)
Petitioner,	)
	)
vs.	)
	)
TRIP ASSURED, INC.	)
Respondent.	)

AFFIDAVIT

STATE OF TENNESSEE	)
	)
COUNTY OF DAVIDSON	)

I, Brenda Sechler, having first been duly sworn, do depose and state the following:

1. I currently serve as the Director for the Agent Licensing Section of the Tennessee Insurance Division. I have been in this position for approximately five (5) years.

2. As Director, I am the custodian of records for the Insurance Division for records relating to the licensure of insurance producers in this State.

3. I have searched the records of the Division and have determined that Trip Assured, Inc. became licensed as a business entity insurance producer on October 27, 2005.

FURTHER AFFIANT SAITH NOT.

Brenda Sechler

Brenda Sechler

SWORN TO AND SUBSCRIBED before me on this 5th day of September, 2006.

Dana Lynn Bailey

Notary Public

My Commission Expires: 6/28/08

DANA LYNN BAILEY STATE OF TENNESSEE NOTARY PUBLIC CHEATHAM CO

Exhibit 1

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE OF THE STATE OF TENNESSEE

TENNESSEE INSURANCE DIVISION,	)
Petitioner,	)
	)
vs.	)
	)
TRIP ASSURED, INC.	)
Respondent.	)

AFFIDAVIT

STATE OF TENNESSEE	)
	)
COUNTY OF DAVIDSON	)

I, Robert Heisse, having first been duly sworn, do depose and state the following:

1. I currently serve as an Insurance Fraud Investigator II in the Fraud Investigations Section of the Tennessee Insurance Division ("Division"), a position I have held for six (6) months.

2. In my position with the Division, I am responsible for investigating certain matters assigned to me. I also maintain the custody of documents obtained by the Division for the investigations that I have been assigned.

3. I have been assigned the Division's investigation into the activities of Trip Assured, Inc. (hereinafter referred to as "Trip Assured"). It is for this reason that I am able to testify as to all matters contained herein.

4. On or around August 17, 2001, Edward M. Johnson incorporated Trip Assured in the State of Tennessee (Secretary of State I.D. Number 0412823). (A true and correct copy of the printout from the Secretary of State evidencing such is attached hereto as Exhibit A.)

Exhibit 2

5. As represented on Trip Assured's brochures, Trip Assured is in the business of "Trip, Cruise, Tour & Hotel Protection." This travel protection is extended to those individuals that apply for and receive membership in Trip Assured. (A true and correct copy of a Trip Assured brochure evidencing such is attached hereto as Exhibit B.)

6. Trip Assured offers a plan (hereinafter referred to as the "Trip Assured Plan") that contains several different types of benefits. Some of the benefits are underwritten through an insurance company, while others are paid directly by Trip Assured. (See Exhibit B.)

7. Trip Assured's brochures used up to the beginning of this year represented the benefits of the Trip Assured Plan to be the following:

> **Trip Cancellation and Interruption** up to the amount of purchase for non-refundable and non-exchangeable trip deposits, airline tickets, hotel penalties, cruise line and other charges already paid by you when you must cancel your trip due to a covered reason. 'Covered reasons' include; unforeseeable sickness, injury or death of you, an immediate family member or traveling companion. Other reasons include the bankruptcy of a tour operator, cruise line or airline, if you are subpoenaed or ordered to report for military duty; or jury duty.
>
> **Emergency Accidental Medical or Dental expense up to $10,000** reimburses the medical expenses of any injury occurring on your trip, including doctors, hospital, x-ray, and nursing not covered by your insurance program.
>
> **Emergency Medical Transportation – Unlimited** – pays for transportation ordered by a doctor to the nearest adequate medical facility not covered by your insurance program.
>
> **Baggage Loss up to $1,000** reimburses you for lost or stolen checked baggage while on your trip. This is secondary to common carrier coverage.
>
> **Trip Delay for up to $1,000** reimburses you for hotel and taxi expenses should your trip be delayed for 10 or more hours.
>
> **Pre-existing Conditions Accepted** – If your doctor thinks it's okay to go, we do too, if purchased within 14 days of initial payment.
>
> **Accidental Death/$100,000** pays for the loss of life as a result of an accident on an air flight or cruise ship, under age 80.

Airline Penalty up to $50 reimburses you if you change the dates of your travel and the airline charges you a "change fee" penalty. (One per trip.)

Travel Assistance – Included 24 hours a day.

Free Look Grace Period – Full refund if you notify TRIP ASSURED in writing within ten (10) days,a nd your trip has not started.

(See Exhibit B.)

8. Some time prior to September 2005, the Division requested from Trip Assured a list of the benefits provided by Trip Assured and an explanation as to whether the benefits were underwritten by an insurance company. In response to this request, the Department received a letter from Mr. Johnson to his attorney W. D. Broemel dated September 28, 2005. (A true and exact copy of this letter is attached hereto and marked as Exhibit C.)

9. The trip cancellation coverage guaranteed the policyholder that when a trip is cancelled for a covered reason, Trip Assured will either assist the policyholder in rebooking the cancelled trip, or pay the policyholder to indemnify the consumer the cost of the trip. This coverage is not underwritten by an insurance company, and Trip Assured has complete exposure for any risks related to this coverage. (See Exhibit C.)

10. It is unclear what the lost and stolen baggage benefit covers, but Trip Assured has represented that it has paid several claims out of this benefit. (A true and exact copy of a letter from W. D. Broemel to the Department dated November 23, 2005 evidencing such is attached hereto and marked as Exhibit D to this Affidavit.)

11. The trip delay coverage guarantees the policyholder that in the event that a policyholder's trip was delayed for ten (10) or more hours, Trip Assured will reimburse the policyholder up to $1,000 for the policyholder's hotel and taxi expenses. This coverage is not

underwritten by an insurance company, and Trip Assured has complete exposure for any risks related to this coverage. (See Exhibit D.)

12. The "change fee" penalty coverage reimburses the policyholder up to $50 for any "change fee" penalty an airline charges the policyholder in the event that the policyholder had to change the date of travel. It is understood based on my conversations with Trip Assured staff that this coverage was not underwritten by an insurance company, and Trip Assured had complete exposure for any risks related to this coverage. According to Mr. Johnson, Trip Assured no longer offers this benefit.

13. Some of the coverages under the Trip Assured Plan are underwritten by insurance companies. Specifically, the Accidental Death and Dismemberment coverage and the Accidental Medical Expense coverage are underwritten through insurance companies, typically through group policies issued to Trip Assured. However, these group policies have deductibles of approximately $5,000. Trip Assured however, represented to its policyholders prior to the beginning of 2006 that there were no deductibles so it paid any deductibles under these policies on behalf of the policyholder. Trip Assured had complete exposure for any risks related to covering these deductibles. (See Exhibit D.)

14. Trip Assured's marketing materials and brochures use terminology that is associated with insurance products, such as "deductible", "co-payment", "claim processing", "beneficiary", "policy", "ten day free look" and "pre-existing condition". (See Exhibit B.)

15. I have reviewed many of the correspondence between Trip Assured and its policyholders. In the correspondence, many policyholders and travel agents that Trip Assured uses to sell their products refer to the trip cancellation coverage as trip insurance. Trip Assured does not

correct these policyholders in writing that the Trip Cancellation coverage, in their opinion, is not insurance.

16. The Department has received numerous complaints from policyholders complaining about various actions on the part of Trip Assured in its denial of claims.

17. In or around the early part of 2006, Trip Assured changed the description of benefits on its brochures to the following:

> **Trip Cancellation or Interruption** permits members to cancel or interrupt their trip when they must because of a covered reason. The total cost of the trip including airline, cruiseline and hotel cost must be calculated to determine membership cost. Covered reasons include serious and unforeseen illness or injury of the traveler, an immediate family member or traveling companion. Trip cancellation or interruption permits the re-booking of the trip to a later date without travel supplier penalty. Your travel agency or Trip Assured, Inc. will make all of the arrangements. Membership must be purchased prior to final payment for this benefit however all other benefits will be effective if purchased after final payment.
>
> **Travel Supplier Default** that results in the complete cessation of service because of financial reasons. Benefits include a replacement trip with another travel supplier.
>
> **Emergency Medical Transportation including Evacuation** to the nearest adequate medical facility when ordered by your medical physician and arranged by WorldWide Assistance. This service must be arranged by Worldwide Assistance.
>
> **24 Hour Worldwide Assistance** including many travel related services listed in your membership package.
>
> **Lost or stolen checked baggage service** includes our assistance on your behalf with the common carrier responsible. Indemnification is limited to amount obligated by the common carrier.
>
> **Emergency Accidental Medical, Flight and Cruise Accidental Death** or disability is arranged through blanket policies with various insurance companies for the added benefit of members. Benefits and deductibles change from time to time.

(A true and correct copy of the printout from the Trip Assured website evidencing such is attached hereto as Exhibit E.)

18. Even though the current brochures that Trip Assured uses no longer mention the fact that it provides policyholders a reimbursement option with its trip cancellation coverage, Mr. Johnson told me that Trip Assured continues to provide reimbursement to policyholders for covered claims upon request.

19. Trip Assured also offers it's A+ product which, in addition to the benefits covered by the regular Trip Assured Plan, includes the following:

> **Identity Theft Expense Reimbursement Coverage**. Beginning on your trip departure date, you will automatically receive this safeguard for six months at no additional cost to you. If your identity has been compromised while on your trip, we will guide you through the steps necessary for restoring your credit profile and provide insurance coverage up to $20,000 for your expenses and loss.

(A true and correct copy of the printout from the Trip Assured website evidencing such is attached hereto as Exhibit F.)

20. Trip Assured actively markets travel agents to sell the Trip Assured Plan. Trip Assured staff has told me that Trip Assured does not take any steps to determine if the travel agents are licensed to sell insurance in their respective states of business even though Trip Assured recognizes that many of the products they offer are insurance products. Trip Assured pays the travel agents that sell the Trip Assured Plan a commission ranging from approximately 30% to 40% of the amount of payment made by the policyholder.

21. Some time after the beginning of 2006, Trip Assured began offering its Cancel for Any Reason product. This product offered the following benefits:

> **Trip Cancellation FOR ANY REASON** - 90% Cash Back up to the amount of purchase (limit $2,000) for non-refundable, non-exchangeable trip deposits, airline tickets, hotel penalties, cruise line and other charges paid by you when you must cancel your trip FOR ANY REASON. You must notify the appropriate travel suppliers of you cancellation within 24 hours of the occurrence. Your reservations must be cancelled at least 24 hours prior to scheduled departure. No Reimbursements will be made in the event of "NO SHOWS." Total trip cost must be $2,000 or less.

Emergency Accidental Medical or Dental Expense up to $10,000 - reimburses the medical expenses of any emergency injury occurring on your trip, including doctors, hospital, x-ray, and nursing not covered by your insurance program.

Accidental Death - pays for the loss of life as a result of an accident on an air flight or cruise ship. $200,000 for flight, $100,000 for cruise.

(A true and correct copy of a printout from Trip Assured's website is attached hereto and marked as Exhibit G to this Affidavit.)

22. In addition to the above, Trip Assured represents that there are no deductibles or co-payments for Cancel for Any Reason policyholders. (See Exhibit G.)

23. Trip Assured represents to travel agents that they will receive a commission of $50.00 for each Cancel for Any Reason contract they are able to sell. (See Exhibit G.)

FURTHER AFFIANT SAITH NOT.

Robert Heisse

Robert Heisse

SWORN TO AND SUBSCRIBED before me on this 5th day of September, 2006.

Andrea Wenk Hardy
Notary Public

My Commission Expires: 11-14-2009

Secretary of State Business Information Search

Secretary of State Web Site | Instructions

Name	I.D. Number
TRIP ASSURED, INC.	0412823

Business Type*:	CORPORATION
Profit/Nonprofit:	FOR PROFIT
Status*:	ACTIVE
Date of Formation/Qualification:	08/17/2001
Domestic/Foreign:	DOMESTIC
Place of Incorporation/Organization:	CUMBERLAND
Duration:	PERPETUAL
FYC(Fiscal Year Closing) **Month:**	DECEMBER

Principal Office:

Address Line 1:	80 MILLER AVENUE
Address Line 2:	SUITE 105
City:	CROSSVILLE
State:	TN
Zip:	38555
Other than USA:	

Registered Agent:

Name:	EDWARD M. JOHNSON
Address Line 1:	#4 TURNER LAKE
Address Line 2:	PO BOX 2688
City:	CROSSVILLE
State:	TN
Zip:	38556

Business Filing History

*** Important Note: Business filing History includes information about (1) the basis for an inactive status and (2) the current true name and filing status of a business with an assumed name or a changed status.**

Note: This information is current as of three working days prior to today's date.

Search Again

Report a Technical Issue

EXHIBIT

A

Secretary of State
Business Information Search

Secretary of State Web Site | Instructions

Business Name	I.D. Number	Status
TRIP ASSURED, INC.	0412823	ACTIVE

Document Reference	Date	Filing Type	Filing Action
4275-1374	08/17/2001	CHARTER	
4575-0332	12/01/2002	ANNUAL RPT FILED	08/13/2002
4885-0834	12/01/2003	ANNUAL RPT FILED	08/12/2003
5204-0389	08/09/2004	ANNUAL REPORT	Fiscal Year Closing Changed
5204-0389	08/09/2004	ANNUAL REPORT	Principal Address Changed
5204-0389	12/01/2004	ANNUAL RPT FILED	08/09/2004
5368-0415	04/01/2005	ANNUAL RPT FILED	02/24/2005
5648-1636	01/11/2006	ANNUAL REPORT	Principal Address Changed
5648-1636	04/01/2006	ANNUAL RPT FILED	01/11/2006

This information is current as of three working days prior to today's date (except for some annual reports filed during the first four months of the calendar year).

Search Again

Report a Technical Issue

To Order Now:

Fill out this form and fax to

(931) 456-8844

Call with any questions

1-800-236-0079

Please have your credit card, travel destination and names of each traveler when you call to enroll.

Name _____

Address _____

City/State/Zip _____

Phone _____

Additional Names

☐ _____

☐ _____

☐ _____

Destination(s) _____

Date of Initial Trip Deposit _____

Departure Date _____ Return Date _____

Subscriber must include the total cost of trip to determine price or services will be void.

Agency _____ **ID** _____

☐ **Please check if over 70 years old. If so, add 50%.**

Price/Person		# of Travelers		Total Due
	x		=	

Total Cost, including airline, hotels, car, etc.

Trip Cost Per Person	1-15 Day Trip	16-30 Day Trip
$0 - $500	$37	n/a
$501 - $1,000	**$63**	**n/a**
$1,001 - $1,500	$89	$91
$1,501 - $2,000	**$109**	**$128**
$2,001 - $2,500	$135	$159
$2,501 - $3,000	**$169**	**$199**
$3,001 - $3,500	$199	$235
$3,501 - $4,000	**$228**	**$265**
$4,001 - $4,500	$255	$299
$4,501 - $5,000	**$285**	**$335**
$5,001 - $5,500	$339	$399
$5,501 - $6,000	**$369**	**$429**
$6,001 - $6,500	$398	$469
$6,501 - $7,000	**$435**	**$499**
$7,001 - $8,000	$479	$560
$8,001 - $9,000	**$499**	**$598**
$9,001 - $10,000	$599	$699

001

Please send a check or fill out credit information

☐ **American Express** ☐ **Visa** ☐ **MasterCard** ☐ **Discover**

CARD NUMBER

Expiration Date _____

Billing Address if different _____

_____

Name of Cardholder _____

The above information is true and the dates are accurate. I understand that these services go into effect at 12:01 A.M. on the day after the postmark, telephone purchase, e-mail, or fax transmission date upon acceptance. Trip Assured® reserves the right to reject any application. I also understand that if payment is returned un-payable for any reason, these services are cancelled.

Signature _____

Date _____

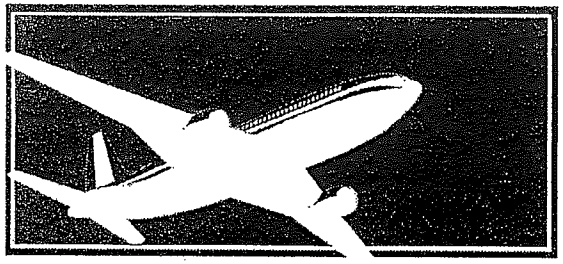
Endorsed By IATAN

TRIP ASSURED®, In

2625 N. Main St. • Suite 203
Crossville, TN 38555
931-707-5655

EXHIBIT

B



TRIP® ASSURED

TRIP, CRUISE, TOUR & HOTEL PROTECTION

1-800-236-0079

- Trip Cancellation or Interruption up to $10,000
- Trip Cost Default Protection
- Emergency Accidental Medical/ Dental
- Lost or Stolen Checked Baggage
- Trip Delay
- Evacuation
- $100,000 Accidental Death
- Medical Assistance Information
- NEW **Airline Penalty Protection**
- **Pre-existing Conditions Accepted**

BENEFITS

No Deductibles - No Co-Payment

- Trip Cancellation & Interruption up to $10,000 *higher on request
- Trip Cost Default Protection - If cruiseline, airline or tour operators are unable to provide service
- $10,000 Emergency Accidental Medical or Dental Expense
- **Unlimited** Emergency Medical Transportation/Evacuation
- $1,000 Lost or Stolen Checked Baggage
- $1,000 Trip Delay
- $100,000 Flight Insurance
- Pre-existing Conditions Accepted
- $100,000 Accidental Death while on cruise ship
- **$50 Airline Penalty Protection -** NEW If you change your travel date and the airline charges you a penalty
- "NO COST" Free Look
- NO 'Policy' Fee

This is a brief description of services. A complete description is available upon request.

DESCRIPTION OF BENEFITS

Trip Cancellation and Interruption up to the amount of purchase for non-refundable and non-exchangable trip deposits, airline tickets, hotel penalties, cruise line and other charges already paid by you when you must cancel your trip due to a covered reason. Covered reasons include unforeseeable sickness, injury or death of you, an immediate family member or traveling companion. Other reasons include the bankruptcy of a tour operator, cruise line or airline, if you are subpoenaed or ordered to report for military duty, or jury duty.

Emergency Accidental Medical or Dental expense up to $10,000 reimburses the medical expenses of any injury occurring on your trip, including doctors, hospital, x-ray, and nursing not covered by your insurance program.

Emergency Medical Transportation - Unlimited - pays for transportation ordered by a doctor to the nearest adequate medical facility not covered by your insurance program.

Baggage Loss up to $1,000 reimburses you for lost or stolen checked baggage while on your trip. This is secondary to common carrier coverage.

Trip Delay up to $1,000 reimburses you for hotel and taxi expenses should your trip be delayed for 10 or more hours.

Pre-existing Conditions Accepted - If your doctor thinks it's okay to go, we do too, if purchased within 14 days of initial deposit!

Accidental Death/$100,000 pays for the loss of life as a result of an accident on an air flight or cruise ship, under age 80.

Airline Penalty up to $50 reimburses you if you change the dates of your travel and the airline charges you a "change fee" penalty. (One per trip.)

Travel Assistance - Included 24 hours a day.

Free Look Grace Period - Full refund if you notify TRIP ASSURED© in writing within ten (10) days, and your trip has not started.

September 28, 2005

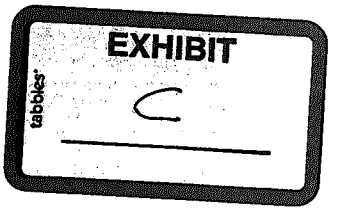
W. D. Broemel, Esq.
Greenebaum, Doll and McDonald PLLC
700 Two American Center
3102 West End Avenue
Nashville, TN 37203

Dear David:

You asked me to prepare a list on the present day benefits of Trip Assured, Inc. members and how these benefits are handled. As you know the business plan is to combine both insurance benefits and service obligations for leisure travelers. The benefits include:

1. Trip Cancellation, Re-book and Interruption: Trip Assured, Inc. is an agent for most major travel vendors. The Company since 2001 has been a Travel Services Intermediary for the International Airlines Travel Agent Network (IATAN) and Cruise Line International Association (CLIA) an association formed under Federal Maritime Commission (FMC). Through these agency relationships we are able to rebook many trips that must be canceled because of unforeseeable sickness or injury. In the event such re-booking is impossible, our company sells on behalf of its members non-refundable (however transferable) trip vouchers to a third party who in turn sells such trips to consumers on EBAY, the major internet auction service or to travel agencies specializing in last minute offers. Any other payment is ancillary.

2. Trip Cost Default Protection: If a travel vendor stops operating, i.e. National Airlines, Regal Cruise Line, Trip Assured members request that we find alternate transportation. Each case is handled separately, however we arrange for the alternate vendor and assist our members in getting their money returned because of the defaulted vender. The FMC have bonds in place for cruise ship companies, which can refund customers. In most cases our members have paid by credit card and a



full refund is available from the credit card company through the Federal Fair Credit Act. In other situations we have arranged for the alternate vendor to accept payment via the defaulted vendors travel documents.

3. Emergency Medical or Dental Expense: This is an insurance product from an AIG Insurance Company.

4. Emergency Medical Transportation/Evacuation and Travel Assistance: This benefit is a Trip Assured feature arranged with WorldWide Assistance Services, Inc. based in Washington, D.C., the oldest and largest travel assistance service in the world. See attached description of the services. **This service is the main feature of the Trip Assured membership program** and has resulted in saving many lives in the past several years.

5. Lost or Stolen Checked Baggage: This is an insurance product from an AIG Insurance Company.

6. Trip Delay: This is ancillary payment for people stranded at airports, or delayed in their travel for reasons such as weather.

7. Accidental Death: This is an insurance product from an AIG Insurance Company through a blanket policy issued to Trip Assured, Inc. This benefit is for airline and cruise venues.

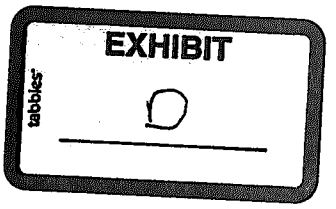
8. Airline Penalty Protection: Trip Assured pays up to $50 if a member decides to changes their date of travel and the airline charges a processing fee. The change can be for any reason and is not considered destruction, injury, loss or damage.

9. $20,000 Identity Theft Insurance: This is an insurance product from Travelers Casualty and Surety Company of America under a Master Policy issued to Trip Assured, Inc.

Please advise if you have any questions.

Sincerely,

Edward M. Johnson
President



GREENEBAUM
GREENEBAUM DOLL & McDONALD PLLC

W. Davidson Broemel
Direct (615) 760-7125 Fax (615) 760-7325 E-mail wdb@gdm.com

November 23, 200

Eric J. Stansell, Esq.
Staff Attorney
TN Department of Commerce and Insurance
Davy Crockett Tower, 5th Floor
500 James Robertson Parkway
Nashville, TN 37243-1162

Re: Trip Assured, Inc.

Dear Mr. Stansell:

I have been able to discuss the points raised in your letter with my client and I will set them out under the eight questions you asked. A large part of my time in responding has been taken up in trying to figure out why AIG cancelled their coverage after talking to you, and what can be done about it. National Union Fire Insurance Company is a casualty company admitted in Tennessee ("NUFIC"). Since the NUFIC policy is provided in conjunction with Trip Assured's business, I take it to be commercial risk insurance and subject to the Cancellation of Commercial Risk Insurance Act. Under T.C.A. § 56-7-1803, there have been no acts by Trip Assured that would give rise to the cancellation. The notice of cancellation did not set out any of the grounds for cancellation as required by T.C.A. § 56-7-1804(e), so we do not believe it to be effective. I would appreciate your opinion as to whether AIG acted properly in canceling the policy. Even if the policy is deemed to be personal risk insurance, we know of no reason for the cancellation, and request your assistance in reinstating the policy.

I wanted to mention some of the background to all this, because not everyone at our October 5, 2005 meeting goes all the way back with Trip Assured. As you know, Mr. Johnson already provided you a number of documents and lists that fully describe his program.

I had previously sent the DCI a letter on May 2, 2003 fully describing our program, complete with bulletins from the DCI and Attorney General Opinions which we relied upon in our position that Trip Assured provides service and not insurance. We heard nothing until the contact this Fall. There may have been one or two consumer inquiries in the interim, but I think you will agree that Trip Assured has a consumer record anyone would be proud of. Mr. Johnson continues to be available to discuss his program and work with the Department. His is a small operation, but an important employer in Crossville, Tennessee, and provides a real service to thousands of travelers.

Trip Assured did have coverage for a portion of its services, but that was cancelled effective January 1, 2006. The cancellation was done by a purported "Policy Amendment No. 4" which states "It is hereby agreed and understood that the policy is cancelled to its entirety effective January 1, 2006." This was completely unilateral and not agreed to by the insured. The only explanation we received was an October 31, 2005 letter from Derrick Drury of AIG saying "... we have taken this action in response to conflicts with a state insurance department and other programs."

I would appreciate knowing if the DCI believes an insurer can cancel unilaterally by simply amending the policy, and what the "conflicts" are with the DCI. We are looking into replacement coverage, but this surprising cancellation has hurt our program. I will now move to respond to each of the eight questions you raised:

1. Who provides coverage for Trip Assured's lost or stolen checked baggage benefit?

A. At the present time, lost or stolen checked baggage is covered under tariffs directly by the common carrier. They are responsible by law and Trip Assured intercedes on their behalf to obtain payment up to applicable limits directly from the common carrier. Mr. Johnson provided you with a Chubb insurance policy at our last meeting on October 5, 2005. No coverage is provided or sold now under that policy.

2. What was the basis for Trip Assured's mistaken assertion that AIG (NUFIC, specifically) covered the lost or stolen checked baggage benefit?

A. The "mistaken belief" you refer to was an oversight on Mr. Johnson's part. He had forgotten that the AIG policy did not cover lost checked baggage as it did with Chubb, and that a decision was made to handle this service directly by Trip Assured interceding on behalf of the passenger to obtain payment directly from the common carrier.

3. Has Trip Assured ever had a claim on its lost or stolen checked baggage benefit?

A. There have been several claims, it is fairly rare but it has happened.

4. Who pays the five thousand dollar ($5,000.00) deductible under the accident medical expense benefit? (The "Benefits" section of Trip Assured's website states that there is no deductible or daily limit to members/policyholders.)

A. Trip Assured, Inc.

5. Does Trip Assured have a new insurer covering its accidental death benefit, the accident medical benefit and the lost or stolen checked baggage benefit, as of January 1, 2006?

A. No. See the discussion on page 4.

6. If Trip Assured does not yet have coverage covering the benefits outlined in Question 5 above, does it plan to discontinue selling all products incorporating these benefits until such time as it has the required coverage?

A. Yes, if there is no insurer, there is no insurance product to sell. It is hoped that you can assist us in rectifying the wrongful cancellation.

7. Has Trip Assured procured coverage for its trip delay benefit? If it has not, has it discontinued offering such a benefit?

A. Trip delay expense is not insured. Trip Assured offers this in the same way, as a service, that Carnival Cruise Line does. A copy of their brochure is enclosed as explanation.

8. If Trip Assured considers its trip cancellation benefit to be a service, rather than an indemnity product, why does it note in its "Terms & Conditions" that "[a]ny traveler considered a 'no show' by the vendor will not receive ***indemnification*** from Trip Assured, Inc.? (emphasis added)

A. Trip Assured does consider trip cancellation to be part of its travel services and not insurance. The use of the word "indemnification" was used in its Webster Dictionary meaning as "to make compensation to ..." rather than the technical insurance meaning you may ascribe to the word. In any event, as the Attorney General has opined, it is only if the principal purpose of a contract is indemnity that a contract may become one of insurance, and Trip Assured is a long way from that.

9. Are those employees of Trip Assured who sell, solicit or negotiate insurance properly licensed as insurance producers?

A. Trip Assured uses the services of the Thomas Cook Insurance Agency to provide its underwritten AIG product. That is written as a blanket policy and individuals are merely enrolled. Incidentally, Mr. Johnson and other staff members of Trip Assured are licensed as producers as well.

I know that you may need a follow-up meeting, and Mr. Johnson is available to meet with you at any time for further explanation. I hop that you will be able to assist him and all Tennessee citizens in getting AIG to correct its wrongful termination.

Prior to our next meeting, Mr. Johnson wanted me to make a proposal to satisfy any concerns that you may have:

First, Trip Assured could arrange a package of fully insured coverage for all of the services or products now provided, except for the trip cancellation service.

Or, in the alternative, Trip Assured could continue to provide a mix of fully insured and service products, but with disclosures as you may think are appropriate to avoid any misunderstanding as to what is insured and what is a service. We would also modify language such as "indemnification" that you are concerned about. We do not believe there is any confusion at the present time, but are willing to go the extra mile.

Very truly yours,

W. Davidson Broemel

WDB/cpa
Enclosure

cc: Edward M. Johnson
Millard Oakley

558998_1.DOC

Carnival's Cruise Vacation Protection Plan℠

Carnival wants you to have the best vacation ever, with nothing to think about except how much FUN you're going to have. That's why we created Carnival's Cruise Vacation Protection Plan. For a little more than $10 per day, per guest, Carnival provides you with peace of mind because, unfortunately, the unexpected does sometimes occur.

The following is not a complete description of our Vacation Protection Plan — a full description detailing the terms, conditions and exclusions will be sent to your travel agent. If you have any questions, or would like to request a copy of the Plan Description, please call our program administrator, BerkelyCare, at 1-800-331-2796. (Please use this number for Carnival Cruise Vacation Protection Plan inquiries only. Reservation details are not available via this phone number.)

Section I*

Trip Cancellation: Up to Total Cruise Vacation Cost:

If you have to cancel your vacation for certain, specified reasons (such as injury, illness or death affecting you, your immediate family or your traveling companion), Carnival will refund your otherwise non-refundable Carnival cruise and air cancellation.

Important: As an added service to Carnival's guests purchasing the plan, in the event you are denied a cash refund for your trip cancellation due to a "pre-existing condition" (as detailed in the Plan Description), Carnival will instead provide you with a future cruise credit in the amount of your cancellation penalty.

Trip Interruption: Up to Total Cruise Vacation Cost:

If you have to leave your vacation unexpectedly (again, for specified reasons such as illness as described above), Carnival will refund to you the unused, non-refundable portion of your cruise vacation payment, plus reimburse you for the cost of returning home.

Trip Delay:

If you miss the departure of your cruise due to carrier-caused delays or other specified reasons, Carnival will reimburse you up to **$500** for additional accommodations, meals and "catch-up" transportation expenses.

Section II*

Baggage Protection:

If your baggage or personal property is lost or damaged, the Plan will cover up to **$1,500**. If your bags are delayed or misdirected by a common carrier for more than 24 hours, the Plan will reimburse you up to **$500** for the purchase of necessary personal effects.

Medical Expense Coverage:

Should you become injured or sick during your vacation, the Plan will reimburse you up to **$10,000** for necessary medical expenses.

Emergency Evacuation:

In the event that a serious illness or injury requires air or ground transportation to a specialized facility or to return home, the Plan provides up to **$30,000** in covered medical services and supplies (coordinated by our 24-hour assistance provider) to help ensure your safe transport.

24-Hour Assistance:

One toll-free telephone call gives you access to a worldwide network of medical and travel-related professionals who will work together to solve your medical or travel-related problem.

Prices starting at:

VACATION DURATION	PRICE PER ADULT	CHILDREN (UNDER 16 YEARS OLD)
2 day	from $29	from $19
3 day	from $39	from $19
4 day	from $49	from $29
5 day	from $59	from $39
6-9 day	from $99	from $59
7-11 day Alaska/CruiseTour	from $119	from $69
10 or more days	from $149	from $99

Note: The plan cost is fully refundable only if you are canceling outside Carnival's published penalty period. Prices are subject to change without notice.

The Carnival Cruise Vacation Protection Plan is provided in addition to other applicable indemnity or insurance programs, where permitted by law, and shall apply only after benefits have been paid.

*Section I Travel Arrangement protection provided by Carnival Cruise Lines. Section II Travel Protection coverages underwritten by Virginia Surety Company Inc. under policy #HTP04190. 24-hour assistance services provided by On-Call International. Note for guests departing in 2004: Sections I and II of the plan are underwritten by National Union Fire Insurance Company of Pittsburgh, PA, under policy #9500220, with 24-hour assistance services provided by AIG Assist.

To Order Now:

Fill out this form and fax to

931-456-8844

Call with any questions

800-236-0079

Please have your credit card, travel destination and names of each traveler when you call to enroll.

Name _____ Age ____

Address _____

City/State/Zip _____

Phone _____

Additional Names _____

_____ Age ____

_____ Age ____

_____ Age ____

Destination(s) _____

Date of Initial Trip Deposit _____

Departure Date _____ Return Date _____

Subscriber must include the total cost of trip to determine price or services will be void.

Agency _____ ID _____

Cost per Person ____ X # of Travelers ____ = Total Due ____

Total Cost, including airline, hotels, car, etc.

Trip Cost Per Person	1-15 Day Trip	16-30 Day Trip
$0 - $500	$37	n/a
$501 - $1,000	**$63**	**n/a**
$1,001 - $1,500	$89	$91
$1,501 - $2,000	**$109**	**$128**
$2,001 - $2,500	$135	$159
$2,501 - $3,000	**$169**	**$199**
$3,001 - $3,500	$199	$235
$3,501 - $4,000	**$228**	**$265**
$4,001 - $4,500	$255	$299
$4,501 - $5,000	**$285**	**$335**
$5,001 - $5,500	$339	$399
$5,501 - $6,000	**$369**	**$429**
$6,001 - $6,500	$398	$469
$6,501 - $7,000	**$435**	**$499**
$7,001 - $8,000	$479	$560
$8,001 - $9,000	**$499**	**$598**
$9,001 - $10,000	$599	$699

☐ Check box if terrorist protection is requested. If you purchase this, you may cancel and reschedule your trip in the event of a catastrophe terrorist event. Ask your agent for details. Please add 20% to total due.

☐ Check box if over 80 years old. If so, please add 50%.

Please send a check or fill out credit information

☐ American Express ☐ Visa ☐ MasterCard ☐ Discover

Card Number _____

Billing Address if different _____

_____

Name of Cardholder _____

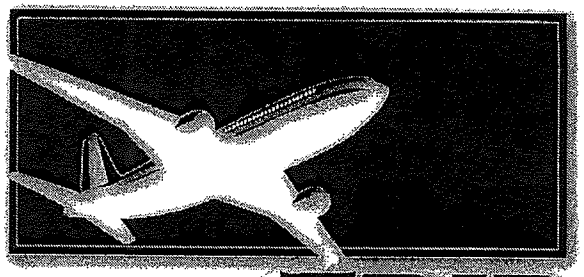
The above information is true and the dates are accurate. I understand that these services go into effect at 12:01 a.m. on the day after the postmark, telephone purchase, e-mail, or fax transmission date upon acceptance. Trip Assured® reserves the right to reject any application. I also understand that if payment is returned un-payable for any reason, these services are cancelled.

Signature _____ Date _____

Endorsed By

TRIP ASSURED®

80 Miller Avenue • Suite 105
Crossville, TN 38555 • 931-707-5655
www.tripassured.com

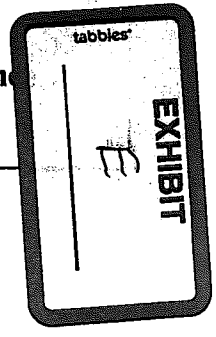


TRIP ASSURED®

TRIP, CRUISE, TOUR & HOTEL PROTECTION

1-800-236-0079

- Trip Cancellation or Interruption
- Supplier Default Protection
- Emergency Accidental Medical/Dental
- Lost or Stolen Checked Baggage Service
- Medical Evacuation
- Accidental Death
- 24 Hour Travel Assistan



MUST BE PURCHASED PRIOR TO FINAL PAYMENT

Benefits

- Trip Cancellation permitting rebooking with no penalties
- Trip Interruption when you can not continue on your trip
- Travel Supplier Default - If the cruise line or airline go out of business
- Emergency Medical Transportation including Air Evacuation
- 24 hour a day Worldwide Travel Assistance
- Lost or stolen checked baggage service
- Emergency Accidental Medical and Dental
- Flight Accidental Death or Disability
- Cruise Accidental Death or Disability
- Added Bonus for A+ Members: **Identity Theft Protection**
- "No Cost" Free Look

This is a brief description of services.
A complete description is available upon request.

Membership Benefit Details

Below are brief descriptions of these membership service benefits. Exclusions, conditions and limitations apply. A full description including exclusions, conditions and limitations is included in your membership package. Each member has 10 days to cancel and receive a full refund if the trip has not started.

Trip Cancellation or Interruption permits members to cancel or interrupt their trip when they must because of a covered reason. The total cost of the trip including airline, cruiseline and hotel cost must be calculated to determine membership cost. Covered reasons include serious and unforeseen illness or injury of the traveler, an immediate family member or traveling companion. Trip cancellation or interruption permits the re-booking of the trip to a later date without travel supplier penalty. Your travel agency or Trip Assured, Inc. will make all of the arrangements. Membership must be purchased prior to final payment for this benefit however all other benefits will be effective if purchased after final payment.

Travel Supplier Default that results in the complete cessation of service because of financial reasons. Benefits include a replacement trip with another travel supplier.

Emergency Medical Transportation including Evacuation to the nearest adequate medical facility when ordered by your medical physician and arranged by WorldWide Assistance. This service must be arranged by Worldwide Assistance.

24 Hour Worldwide Assistance including many travel related services listed in your membership package.

Lost or stolen checked baggage service includes our assistance on your behalf with the common carrier responsible. Indemnification is limited to amount obligated by the common carrier.

Emergency Accidental Medical, Flight and Cruise Accidental Death or disability is arranged through blanket policies with various insurance companies for the added benefit of members. Benefits and deductibles change from time to time.

Free Look and Grace Period - Full refund if you notify Trip Assured, Inc in writing within ten (10) days, and your trip has not started.

To Order Now:

Fill out this form and fax to

931-456-8844

Call with any questions

800-236-0079

Please have your credit card, travel destination and names of each traveler when you call to enroll.

Name _____ Age ____

Address _____

City/State/Zip _____

Phone _____

Additional Names _____

_____ Age ____

_____ Age ____

_____ Age ____

Destination(s) _____

Date of Initial Trip Deposit _____

Departure Date _____ Return Date _____

Subscriber must include the total cost of trip to determine price or services will be void.

Agency _____ ID _____

Cost per Person [ ] X # of Travelers [ ] = Total Due [ ]

RATES PER PERSON - 1 to 30 Day Trip

Trip Cost Per Person	Up to age 30	age 31-60	age 61-70	age 71-80	age 81+
$0 - $500	$33	$37	$40	$66	$150
501 - 1,000	**$57**	**$62**	**$74**	**$116**	**$208**
1,001 - 1,500	$83	$93	$109	$166	$287
1,501 - 2,000	**$107**	**$123**	**$141**	**$208**	**$372**
2,001 - 2,500	$134	$153	$179	$249	$465
2,501 - 3,000	**$157**	**$180**	**$209**	**$291**	**$559**
3,001 - 3,500	$181	$208	$239	$332	$653
3,501 - 4,000	**$203**	**$234**	**$269**	**$374**	**$746**
4,001 - 4,500	$227	$261	$298	$415	$839
4,501 - 5,000	**$250**	**$288**	**$328**	**$456**	**$933**
5,001 - 6,000	$288	$332	$376	$525	$1,052
6,001 - 7,000	**$335**	**$386**	**$436**	**$608**	**$1,248**

☐ Check box if terrorist protection is requested. If you purchase this, you may cancel and reschedule your trip in the event of a catastrophe terrorist event. Ask your agent for details. Please add 20% to total due.

Please send a check or fill out credit information

☐ American Express ☐ Visa ☐ MasterCard ☐ Discover

Card Number _____

Billing Address if different _____

_____

Name of Cardholder _____

The above information is true and the dates are accurate. I understand that these services go into effect at 12:01 a.m. on the day after the postmark, telephone purchase, e-mail, or fax transmission date upon acceptance. Trip Assured® reserves the right to reject any application. I also understand that if payment is returned un-payable for any reason, these services are cancelled.

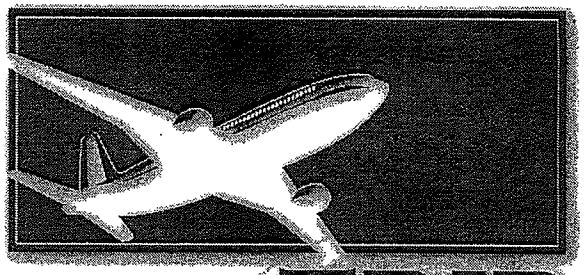
Signature _____ Date _____

Endorsed By

CLIA

TRIP ASSURED®

80 Miller Avenue • Suite 105
Crossville, TN 38555 • 931-707-5655
www.tripassured.com



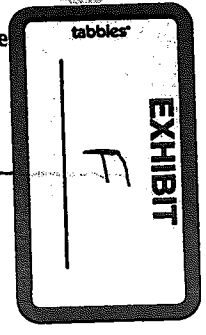
TRIP ASSURED®

TRIP, CRUISE, TOUR & HOTEL PROTECTION

1-800-236-0079

A+

- Trip Cancellation or Interruption
- Supplier Default Protection
- Emergency Accidental Medical/Dental
- Lost or Stolen Checked Baggage Service
- Medical Evacuation
- Accidental Death
- 24 Hour Travel Assistance
- Identity Theft Expense Reimbursement Coverage



MUST BE PURCHASED PRIOR TO FINAL PAYMENT

Benefits

- Trip Cancellation permitting rebooking with no penalties
- Trip Interruption when you can not continue on your trip
- Travel Supplier Default - If the cruise line or airline go out of business
- Emergency Medical Transportation including Air Evacuation
- 24 hour a day Worldwide Travel Assistance
- Lost or stolen checked baggage service
- Emergency Accidental Medical and Dental
- Flight Accidental Death or Disability
- Cruise Accidental Death or Disability
- "No Cost" Free Look
- 6 Month Identity Theft Reimbursement Coverage

This is a brief description of services.
A complete description is available upon request.

Membership Benefit Details

Below are brief descriptions of these membership service benefits. Exclusions, conditions and limitations apply. A full description including exclusions, conditions and limitations is included in your membership package. Each member has 10 days to cancel and receive a full refund if the trip has not started.

Trip Cancellation or Interruption permits members to cancel or interrupt their trip when they must because of a covered reason. The total cost of the trip including airline, cruiseline and hotel cost must be calculated to determine membership cost. Covered reasons include serious and unforeseen illness or injury of the traveler, an immediate family member or traveling companion. Trip cancellation or interruption permits the re-booking of the trip to a later date without travel supplier penalty. Your travel agency or Trip Assured, Inc. will make all of the arrangements. Membership must be purchased prior to final payment for this benefit however all other benefits will be effective if purchased after final payment.

Travel Supplier Default that results in the complete cessation of service because of financial reasons. Benefits include a replacement trip with another travel supplier.

Emergency Medical Transportation including Evacuation to the nearest adequate medical facility when ordered by your medical physician and arranged by WorldWide Assistance. This service must be arranged by worldwide assistance.

24 Hour Worldwide Assistance including many travel related services listed in your membership package.

Lost or stolen checked baggage service includes our assistance on your behalf with the common carrier responsible. Indemnification is limited to amount obligated by the common carrier.

Emergency Accidental Medical, Flight and Cruise Accidental Death or disability is arranged through blanket policies with various insurance companies for the added benefit of members. Benefits and deductibles change from time to time.

Free Look and Grace Period - Full refund if you notify Trip Assured, Inc in writing within ten (10) days, and your trip has not started.

ADDED BENEFIT: Identity Theft Expense Reimbursement Coverage. Beginning on your trip departure date, you will automatically receive this safeguard for six months at no additional cost to you. If your identity has been compromised while on your trip, we will guide you through the steps necessary for restoring your credit profile and provide insurance coverage up to $20,000 for your expenses and loss.

BENEFITS

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TERMS
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--- NO DEDUCTIBLES - NO CO-PAYMENT - --

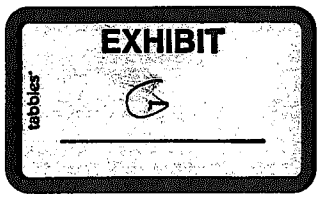
- ***Trip Cancellation up to $2,000***
- ***$10,000 Accidental Emergency Medical***
- ***$200,000 Flight Insurance***
- ***$100,000 Cruise Accidental Death Insurance***
- ***"NO COST" Free Look***
- ***NO "Policy" Fee***
- ***24 Hour Worldwide Assistance***

Description of Benefits

Trip Cancellation FOR ANY REASON - 90% Cash Back up to the amount of purchase (limit $2,000) for non-refundable, non-exchangeable trip deposits, airline tickets, hotel penalties, cruise line and other charges paid by you when you must cancel your trip FOR ANY REASON. You must notify the appropriate travel suppliers of you cancellation within 24 hours of the occurrence. Your reservations must be cancelled at least 24 hours prior to scheduled departure. No Reimbursements will be made in the event of "NO SHOWS." Total trip cost must be $2,000 or less.

Emergency Accidental Medical or Dental Expense up to $10,000 - reimburses the medical expenses of any emergency injury occurring on your trip, including doctors, hospital, x-ray, and nursing not covered by your insurance program.

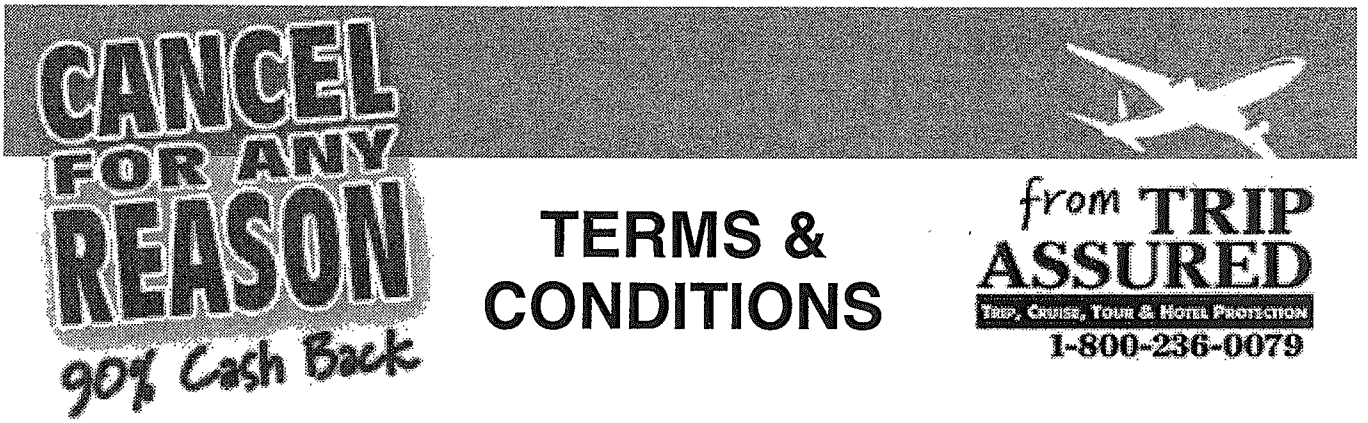
Accidental Death - pays for the loss of life as a result of an



accident on an air flight or cruise ship. $200,000 for flight, $100,000 for cruise.

Assistance Information - Worldwide assistance 24-hour hotline.

Free Look Grace Period - Full refund if you notify TRIP ASSURED in writing within 10 days of purchase, and your trip has not started.



TERMS & CONDITIONS

BENEFITS
TERMS
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If for any reason you wish to cancel this service contract, you may do so in writing within the first 10 days of purchase if your trip has not started. There is a full refund. The significant portion of this service contract is the travel assistance provided you by Trip Assured, Inc. and Worldwide Assistance Services Inc. Services during your trip include 24 hour, 7 day per week international access program to respond to emergency medical situations. Services begin only when full payment has been received and enrollment information has been accepted by Trip Assured, Inc. Services are non-transferable and after 10 days of acceptance, non-refundable. Services start when you start your trip and end the date the trip is completed or scheduled to end, whichever is earlier. These dates are the dates supplied by you in your application for membership services. The application to Trip Assured must be made at the time of initial deposit for trip cancellation benefits.

Subscriber agrees to immediately notify Trip Assured, Inc. of any occurrence likely to require services and in any event within 20 days of the end of services date, and that any suit, actions, or legal proceedings seeking determination of the rights and liabilities of the parties under this membership agreement shall be submitted to binding arbitration with the Better Business Bureau. It is agreed that these services were contracted in Tennessee and are subject to its jurisdiction and venue. No reimbursement to any subscriber will be made as the result of any condition or set of circumstances known to the subscriber at the time the trip was arranged or these services became effective, whichever is later, where such condition could reasonably have been expected to result in the cancellation of the subscriber's trip.

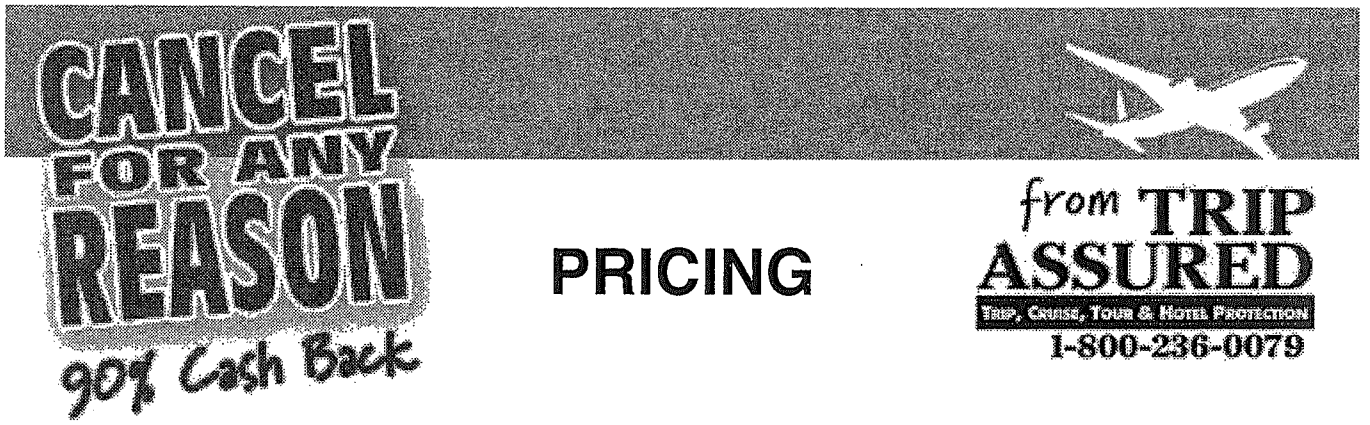
Each member has $100,000.00 or more flight insurance and/or cruise accidental death benefits. The cruise coverage is for common carriers, which includes the cruise line and air only coverage for the round trip airline flight directly preceding the cruise and immediately after the cruise. Subscriber agrees to provide at its expense all receipts, certificates, information and evidence in English required by Trip Assured, Inc. in case of services. The insurance portion of your benefits package is provided by various insurance Companies. All insurance companies terms and conditions and claims process apply to all Trip Assured, Inc. members.

Since any indemnification is ancillary, this protection does not cover loss or damage caused by participation in athletic event, mountain climbing and motor sport including training or practice,

pregnancy or childbirth, any unlawful act, mental or psychological or nervous disorder, alcohol or substance abuse, or any open date or stand-by tickets. The activity of this service contract is not compensation for damage or loss but to provide service.

Trip cancellation benefits are limited to the cancellation charges of the vendor, i.e. airline, cruise line, hotel, etc., and does not include any agency imposed charges. Members are obligated to mitigate cost to Trip Assured, Inc. in the event of any such occurrence. Any traveler considered a "no-show" by the vendor will not receive indemnification from Trip Assured, Inc. Airline Reservations must be canceled when trip is canceled. In the event that unused airline tickets are exchangeable, only the exchange fee will be paid by Trip Assured.

In the event that the subscribers total trip cost was over $2,000, there will only be a refund of moneys paid to Trip Assured, Inc.



PRICING

from TRIP ASSURED
Trip, Cruise, Tour & Hotel Protection
1-800-236-0079

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Trips of 30 Days or Less

Rates per Person

TRIP COST PER PERSON	Age 0-69	Age 70-80
$0-$2,000	$199	$399

Price / Person		# of Travelers		TOTAL DUE
	x		=	

TRAVEL AGENTS

from TRIP ASSURED
TRIP, CRUISE, TOUR & HOTEL PROTECTION
1-800-236-0079

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Travel agents receive a flat $50.00 commission/referral fee for each "Cancel For Any Reason" contract sold. Simply fill out the attached form and we will have you in our system for commission pay. If you would like to sell our other products there is a commission between 30-40% depending on the product. Commission protection is available at no deduction in commission on all products except "Cancel For Any Reason" For details call 1-800-236-0079 and ask for "travel agent relations". Agencies that sell over $20,000 per month in trip protection may receive signing bonus.

Our Company was established in 2001 and has a reputation for same day claim processing and commissions mailed on the first day of each month for sales from the previous month. We work with hundreds of very large and small travel agencies in all 50 States and Canada. Also featured is a single age based product in addition to A+ and Platinum trip protection products.

Travel Agents, please fill out the following form to receive an account with Trip Assured's Cancel for Any Reason Product. All fields are required.

Agency Name

Your Name

Address

City **State** **ZIP**

Telephone

Fax

Email

How Many Agents are in Your Office?

How Many "Cancel for Any Reason" Application Forms do you Need?

Submit Reset

CANCEL FOR ANY REASON
90% Cash Back

CONTACT US

from TRIP ASSURED
TRIP, CRUISE, TOUR & HOTEL PROTECTION
1-800-236-0079

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CONTACT US
HOME

TRAVEL AGENTS
Click Here

Feel Free to Contact Us at any time!
We are available to answer your questions or
assist you in signing up for our travel services.

Telephone:

Toll Free: (800) 236-0079
International: (931) 707-5655

Fax:

(931) 456-8844

E-Mail

tripassured@hotmail.com

TRIP ASSURED

TRIP ASSURED, INC.
2625 North Main Street, Suite 203
Crossville, TN 38555
Toll Free: (800) 236-0079
International: (931) 707-5655
Fax: (931) 456-8844

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE OF THE STATE OF TENNESSEE

TENNESSEE INSURANCE DIVISION,	)
Petitioner,	)
	)
vs.	)
	)
TRIP ASSURED, INC.	)
Respondent.	)

AFFIDAVIT

STATE OF TENNESSEE	)
	)
COUNTY OF DAVIDSON	)

I, Kathy Fussell, having first been duly sworn, do depose and state the following:

1. I currently serve as the Insurance Analysis Director of the Tennessee Insurance Division. I have been in this position for approximately four (4) years.

2. As Financial Analysis Director, I have access to the records of the Insurance Division relating to the licensure of insurance companies in this State.

3. I have searched the records of the Division and have determined that Trip Assured, Inc. does not have and has never had a certificate of authority issued by the Commissioner of Commerce and Insurance to engage in the business of insurance as an insurance company in this State.

FURTHER AFFIANT SAITH NOT.

Kathy Fussell

Kathy Fussell

SWORN TO AND SUBSCRIBED before me on this 5th day of September, 2006.

Exhibit 3

Andrea Wenk Hardy
Notary Public

My Commission Expires: 11-14-2009

ANDREA WENK HARDY
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY, TENN.