



CUBA/OFAC FAQ's

What is OFAC?

The Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury administers and enforces economic and trade sanctions against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States.

Who is subject to OFAC requirements?

The OFAC sanction refers to "U.S. Persons." This refers to all persons subject to United States jurisdiction including all U.S. citizens and permanent residents wherever located, all people and organizations physically located in the U.S., and all branches and subsidiaries of U.S. organizations throughout the world. A foreign national studying at a U.S. educational institution may also be regarded as a U.S. Person for the purposes of the OFAC requirements.

How is Cuba impacted by OFAC?

OFAC prohibits persons subject to the jurisdiction of the United States from engaging in transactions in which Cuba or a Cuban national has an interest – including transactions involving travel.

Does OFAC allow travel to Cuba?

Yes, a person may travel to Cuba under an OFAC license (General License or Specific License).

What is the difference between a General License and a Specific License?

A General License provides blanket authority for an individual to travel to Cuba to the extent that the person meets the requirements of the General License.

A Specific License provides authority for a person engaging in activities not otherwise authorized under a General License, but specifically approved by OFAC on a case-by-case basis.

Can ACE provide travel insurance benefits to persons traveling to Cuba?

Yes, provided the person is traveling under a valid General or Specific License. ACE may provide travel insurance benefits that are ordinarily or directly incidental to a person's OFAC authorized travel in Cuba.

An attestation should be obtained from the insured (e.g., traveler), policyholder (e.g., educational institution), or an authorized representative of the insured and/or policyholder providing that travel to Cuba is being conducted under a valid General or Specific License. The standard ACE OFAC exclusion contained in US policies protects ACE from contravening the OFAC sanctions by excluding coverage in respect of travel that is not subject to a valid General or Specific License.

Note that ACE may be restricted from providing travel insurance benefits under a US policy to foreign nationals unless those travelers are traveling under a valid General or Specific License.

Can ACE provide travel insurance benefits to Cuban nationals traveling in the U.S.?

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Yes, provided the Cuban nationals are legally in the U.S. Benefits may include AD&D and medical expense benefits. ACE may not make any payment in or transfer any funds to Cuba.

Can ACE pay insurance benefits to Cuban nationals in Cuba?

No. However, ACE may pay insurance benefits to Cuban nationals while they are in the U.S.

Can ACE pay medical providers in Cuba directly?

No – ACE may not make any payment in or transfer any funds to Cuba. However, ACE may reimburse persons for covered expenses incurred while in Cuba. Such reimbursement may only be made outside of Cuba.

Can ACE arrange for the provision of medical and security evacuation services, repatriation of mortal remains, or medical care for persons legitimately traveling in Cuba?

Yes. Such arrangements are made through ACE's travel service providers. However, ACE may not directly retain or pay Cuban providers.

What does ACE require to provide coverage to persons traveling to Cuba?

For a person traveling under a General License, ACE requires a signed attestation confirming that the proposed travel is subject to a General License. This attestation may be provided by the licensed institution (e.g., in the case of persons traveling under a General License applicable to a US educational institution). For a person traveling under a Specific License, ACE requires an attestation from the individual and a copy of the Specific License. Depending on the type of license, ACE may also require a letter of authorization from the company, religious organization, or college (on its respective letterhead). ACE must also confirm that persons are not on OFAC's Specially Designated Nationals ("SDN") List. ACE must also apply the standard OFAC exclusion, the effect of which is to ensure ACE is not providing covered that it is not authorized to provide under the OFAC sanctions. This is particularly important in respect of travel to Cuba.

Do ACE's travel insurance policies have to be endorsed to specifically cover persons traveling to Cuba?

No. To the extent persons are eligible for coverage under a travel insurance policy and are traveling pursuant to a valid OFAC license, no amendatory endorsements are necessary. ACE's approved travel insurance policy wordings already include a standard, internally approved, OFAC exclusion which ensures that ACE is not providing coverage that it is not authorized to provide under the OFAC sanctions.

Can ACE pay or provide benefits to a person that travels to Cuba without a valid OFAC license?

No – ACE is prohibited from providing cover to any person traveling to Cuba without a valid OFAC License. This includes individuals who are not US Persons and not otherwise subject to the OFAC sanctions. All of ACE's travel insurance policies contain an OFAC exclusion, which provides that no coverage applies to the extent trade or economic sanctions prohibit ACE from providing coverage.

Does ACE have to return any collected premium in the event a person otherwise covered under a travel insurance policy travels to Cuba without a valid OFAC license?

No, unless the premium can be reasonably determined to cover the person traveling in violation of OFAC.