



## AT-LARGE ADVISORY COMMITTEE

### ALAC Statement on the Potential Change to Registrar Accreditation Insurance Requirement

#### Introduction

Tijani Ben Jemaa, ALAC member from the African Regional At-Large Organization (AFRALO) and ALAC Leadership Team (ALT) member, composed an initial draft of this Statement after discussion of the topic within At-Large and on the Mailing Lists.

On 24 February 2015, this Statement was posted on the [At-Large Potential Change to Registrar Accreditation Insurance Requirement Workspace](#).

On 27 February 2015, Alan Greenberg, Chair of the ALAC, requested ICANN Policy Staff in support of the ALAC to send a Call for Comments on the Recommendations to all At-Large members via the [ALAC-Announce Mailing List](#).

On 08 March 2015, a version incorporating the comments received was posted on the aforementioned workspace and the Chair requested that Staff open an ALAC ratification vote on the proposed Statement.

On 12 March 2015, Staff confirmed that the online vote resulted in the ALAC endorsing the Statement with 15 votes in favor, 0 vote against, and 0 abstention. You may review the result independently under: <https://www.bigpulse.com/pollresults?code=4596ybfhbVrfqkMFBb8BUpXT>

#### Summary

- The evolution of DNI programs should adhere to the following principles: Registrant and user rights and expectations must not be lowered in order to increase DNI penetration; education at all levels is key to increasing demand and local suppliers; requirements placed on registrars should be reasonable based on local cost-of-living and related financial constraints; the insurance required for registrars is a real concern for underserved regions; the second round of the new gTLD program should give preference, if not exclusivity, to applicants from underserved regions, with adequate outreach efforts.
- In response to the five questions posted in the current Public Comment: 1) Registrant rights must be secured through the CGL insurance or any other mechanism(s); 2) No opinion; 3) If ICANN determines that a permanent fund reserved by ICANN and provided by the registrars based on their transaction volumes for covering any harm caused to registrants is a "best practice," registrants using registrars that do not follow the practice must NOT be disadvantaged; 4) If the CGL requirement is maintained, the \$500,000 limit should be lowered to an amount that the registrar can demonstrate that it would still provide registrants reasonable compensation to cover potential losses; 5) If ICANN decides to eliminate the CGL requirement, it should be applied to all registrars and another mechanism should be put in place to protect registrant and user rights.
- The elimination of the CGL requirement could be the best way to support underserved regions to participate in the DNI. Registrant rights must be secured by another mechanism.

## **ALAC Statement on the Potential Change to Registrar Accreditation Insurance Requirement**

The At-Large Advisory Committee (ALAC) would like to reiterate its full support to the development of the domain name industry (DNI) in underserved regions, as was originally expressed in 2014.

The ALAC also mentioned that as the DNI programs evolve, the following principles should be adhered to:

- Registrant and user rights and expectations must not be lowered in order to increase DNI penetration;
- Education at all levels is key to increasing demand and local suppliers;
- Requirements placed on registrars should be reasonable based on local cost-of-living and related financial constraints;
- The insurance required for registrars is a real concern for underserved regions due to the cost, convertibility of the local currency, and other factors;
- The second round of the new gTLD program should give preference, if not exclusivity, to applicants from underserved regions, with adequate outreach efforts that ensure a better understanding of the program, its benefits (e.g. economic, cultural, linguistic, etc.), and all the requirements for an application, as well as technical and legal support.

In response to the five questions posted in the current Public Comment:

1. Even if things have evolved, there is still a requirement to secure registrant rights through the commercial general liability (CGL) insurance or any other mechanism(s);
2. No opinion;
3. A permanent fund reserved by ICANN for covering any harm caused to registrants may be a reasonable option; having volume-based contributions from the registrars to this fund is also reasonable. However if ICANN chooses to make this a "best practice," registrants using registrars that choose not to follow the practice must NOT be disadvantaged;
4. In case the CGL requirement is maintained, the \$500,000 limit should be lowered to an amount that the registrar can demonstrate that it would still provide registrants reasonable compensation to cover potential losses;
5. If ICANN decides to eliminate the CGL requirement, it should be applied to all registrars. The insurance should be replaced by another mechanism to protect registrant and user rights.

The ALAC emphasizes that the CGL requirement is not only the barrier for underserved regions to participate in the DNI, but the most critical one.

Its elimination could be the best way to support underserved regions to participate in the domain name industry. Registrant rights must be secured by another mechanism, such as a fund reserved by ICANN and provided by the registrars according to their transaction volumes. Underserved regions' registrars could be exempted from paying their parts in this fund.