

*Virtual Meeting
(in lieu of meeting at the 2020 Fall National Meeting)*

PRODUCER LICENSING (D) TASK FORCE

Friday, November 13, 2020

2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 a.m. – 12:00 p.m. PT

Summary Report

The Producer Licensing (D) Task Force met Nov. 13, 2020. During this meeting, the Task Force:

1. Adopted its Aug. 3 minutes, which included the following action:
 - a. Adopted its May 6 minutes.
 - b. Discussed producer licensing issues arising from the COVID-19 crisis and state implementation of online examinations.
 - c. Received reports for the Producer Licensing Uniformity (D) Working Group and Uniform Education (D) Working Group.
 - d. Received a report from the National Insurance Producer Registry (NIPR) Board of Directors.
2. Adopted its Oct. 30 minutes, which included the following action:
 - a. Adopted its 2021 proposed charges.
3. Discussed state implementation of remote examinations. NIPR continues to work with the states and testing vendors to track state implementation of online examinations. As reflected on NIPR's website as of Nov. 12, 25 states have implemented online examinations, and two other states are scheduled to implement online examinations during the fourth quarter of 2020. In response to a request from the American Council of Life Insurers (ACLI), the Task Force requested that the Producer Licensing Uniformity (D) Working Group review the examination standards in the NAIC *State Licensing Handbook* regarding state implementation of remote examinations to avoid disruptions should physical testing become unavailable.
4. Discussed adjuster licensing uniformity and reciprocity, which includes the following issues for future discussion: 1) home state examination requirement only; 2) simplified fingerprinting; 3) use of a uniform application; 4) implementation of uniform license renewals; 5) implementation of uniform and reciprocal continuing education (CE); 6) streamline the licensing of adjusters after catastrophe losses; 7) eliminate the licensing of adjusters by line of authority; and 8) implement consistent application of the Designated Home State standard.
5. Received updates from the Producer Licensing Uniformity (D) Working Group and Uniform Education (D) Working Group. The Producer Licensing Uniformity (D) Working Group and Uniform Education (D) Working Group have not met this year. It was reported that 37 jurisdictions have signed the Continuing Education Reciprocity (CER) Agreement, which the NAIC membership adopted earlier this year.
6. Discussed producer licensing uniformity and reciprocity, which the NAIC last formally reviewed in 2011. At that time, the NAIC's National Association of Registered Agents & Brokers (NARAB) Working Group recommended to the NAIC membership that 40 jurisdictions be certified as reciprocal for the purposes of Gramm-Leach-Bliley Act of 1999 (GLBA) producer licensing. Because of the critical importance of licensing reciprocity and uniformity for insurance producers operating in multiple states, it is unknown when the NARAB Board might be appointed pursuant to NARAB II (signed into law in 2015). The Task Force agreed that further review of state compliance with uniform and reciprocal licensing standards should occur.
7. Discussed draft procedures for amending the NAIC Uniform Applications, which were drafted as a starting point to address the Task Force's charge to "draft procedures for amending the NAIC's uniform producer licensing applications and uniform appointment form to ensure consistency with the NAIC membership's goal of maintaining uniform and stable applications that encourage the efficient use of electronic technology." The Task Force will receive comments on the draft procedures until Dec. 14.
8. Received a report from the NIPR Board of Directors. NIPR's assets are \$5.16 million higher than this time last year. NIPR is scheduled to achieve its budgeted revenue target for 2020. The NIPR Board of Directors is developing the 2021 budget

and a strategic plan for the next three years. NIPR continues to be a source of producer licensing-related information for the states and industry through its COVID-19 Information Resource Center on the NIPR website, which centralizes the state specific bulletins relating to producer licensing and exam vendor updates.

9. Discussed producer licensing standards for pet insurance in response to the Pet Insurance (C) Working Group's recommendation to remove Section 6 from the draft Pet Insurance Model Act and replace this with a drafting note: "[w]hen each state considers adopting this model, they should review the NAIC *State Licensing Handbook* and other guidance adopted by the Producer Licensing (D) Task Force with respect to licensing issues." The Task Force requested that the Producer Licensing Uniformity (D) Working Group review the uniform licensing standards for pet insurance.

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