

**SUGGESTIONS – CHAPTER 4, PAGE 18-19 – RECIPROCITY EXAMPLES  
(AK, CA, RI AND VA)**

*Reciprocity Examples*

The PLMA contains specific guidance on the proper reciprocal treatment that a state licensing director should grant. This chapter contains illustrative examples of these provisions. Unless otherwise specified, these examples assume that the applicant is in good standing in the home state and has not requested a change in line of authority (LOA). There are some states that did not adopt all the reciprocity standards previously required by the GLBA in 1999 and currently reflected in the PLMA. The answers to the following examples will vary when a nonreciprocal state is involved. Examples also can be found in the Producer Licensing (EX) Working Group *Frequently Asked Questions* contained in Chapter 1.

- Example A

A producer whose home state is State A has a nonresident license from State B and State C and moves to State D as the producer's new home state.

What should happen: The producer timely files a change of address in State A, State B and State C. State A places the producer's resident license on inactive status. Within 90 days of cancelling the resident state license in State A, the producer applies for a resident license in State D. Using the SPLD, State D confirms the producer was in good standing in State A and is apply for the same line of authority the producer held in State A. State D issues the producer a ~~changes the license from~~ resident license. State A confirms the producer's new resident license in State D and converts the producer's inactive resident license to an active non- nonresident license. ~~and puts the license in a "cancelled" status.~~ State B and State C also confirm the producer now holds a resident license in State D and record ~~at~~ the producer's change of address. Because the producer held the same line of authority in State A that the producer applied for in State D, The producer should appliesy for a license with in State D within 90 days. State D verifies that the license was in good standing in State A via the PDB and then State D should issues the license. If the license in State A was in good standing, State D and may the producer should not be required the producer to take and pass a license examination complete either an examination or complete prelicensing education; ~~State D should verify that the license was in good standing in State A via the~~ SPLD [FC1],[CR(2)]

- Example B

A producer ~~who whose home state is State A~~ holds a line of authority for surety in ~~the home state,~~ State A, and applies for a nonresident license in State B. ~~However, State B, which~~ does not have a separate surety line of authority.

What should happen: State B issues ~~its a~~ license that includes surety (and which may also hasve additional authority) multiple LOAs, including surety LOA, that the producer holds in the home state, but the producer is limited to the surety LOA held in the producer's his or her home resident state.

- Example C

A producer's ~~home state is~~ State A; State A does not have a prelicensing education requirement for the life LOA. for any LOA, and The producer holds a license with the life insurance LOA in State A. The producer applies for a nonresident license in ~~a~~ State B. State B that has a resident license prelicensing education requirement.

What should happen: State B issues a nonresident license with the life LOA and does not require any prelicensing education ~~before issuance.~~

- Example D

A producer's ~~home state is~~ State A; State A does not have a prelicensing education requirement for any LOA; ~~and~~ The producer holds a license with the life insurance LOA. The producer holds a nonresident license from State B; State B that has a resident license prelicensing education requirement. The producer moves ~~into that state~~ to State B.

What should happen: State B should issue a resident license to the producer with ~~the~~ a life LOA. State B should ~~and does~~ not require prelicensing education or completion of an examination before issuance, “except where the commissioner determined otherwise by regulation.” (See PLMA Section 9B.)

- Example E

A producer’s home state ~~is~~; State A. ~~Both State A’s~~ ~~has a resident~~ prelicensing education ~~and requirement and a~~ CE requirements ~~that is~~ are less than the ULS. ~~and t~~ The producer holds a resident license with the -life insurance LOA in State A. The producer applies for a nonresident license in State B. State B; ~~which~~ has both a -prelicensing ~~requirement~~ and CE requirements that matches or exceeds the ULS. ~~and a CE requirement that matches the ULS.~~

What should happen: State B issues the nonresident license with the life LOA and does not require the completion of either additional prelicensing education or additional CE.

- Example F

A producer’s home state is State B. The ~~A nonresident~~ producer applies for a nonresident license with the variable products LOA in State A. A check of the ~~SPLD-PDB~~ reveals that the applicant is not licensed for the variable products LOA in ~~the home state~~, State B. Upon investigation, it is learned that State B either issues life or variable as a combined LOA or has a requirement for variable products licensing, but it is not specifically tracked by the Department of Insurance (DOI).

What should happen: This is a challenge, as State B has failed to adopt the variable products line of authority as defined in the PLMA. A second challenge is that the records on the SPLD and/or the NIPR may not accurately reflect the home state business rule. In this example, the nonresident state will have to pend the application and contact the home state to verify if the applicant is in compliance with the home state law on variable products. The nonresident state must then decide if the applicant should be granted a license.