**INDIVIDUAL INITIAL RENEW APPLICATION**

**General Comment/Suggestions**

**Oklahoma:**

* All Applications ---There are no questions to ask individual licensees or BE’s if they have ever had an appointment with an insurance Carrier Terminated for cause.  A lot of time the Carrier will not enter in a termination for cause to the PDB as “for cause” but we feel it is important to ask every licensee if this has taken place .  This can be added to background question #2 on the ORIGINAL APP and RENEWAL applications.
* All Applications --- Oklahoma has been questioned during several legal hearings about the legality of having an “Authorized Submitter” fill out an application for an applicant.  There is no legal recourse to go after a “submitter” when information is intentionally falsified.  We feel it would be beneficial to discuss this portion off the application with other regulators to determine if additional information on the submitter (DOB, SSN, Contact information etc) can be gathered so we can take action against them in the event of willful falsification.   The NIPR user agreement briefly touches on this issue but to our knowledge NIPR doesn’t keep track or require a signed authorization for a submitter to complete on behalf of an applicant.

**Mississippi:**

* Mississippi has reviewed the applications/renewals:  The only recommendation for discussion is removing  “agent” as license type.  Producer is the term used in the state licensing handbook and PLMA. In addition, MS doesn’t offer a “broker” license, and brokers have been required to apply as “agent”.

**Page 1: Top of page**

**Oklahoma:**

* At the top – remove “Identify Home State \_\_\_ Identify Home State License # \_\_\_”  - pointless, as their resident license number is of no use at all;

**Page 1: Section 1-24**

**Ohio:** Section 1-24

* Add: Home phone number
* Add: Mobile phone number
* Add: Are you a Citizen of the United States? (Check One)
* Yes  \_\_\_      No \_\_\_ (If No, of which country are you a citizen?) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Add: If applicable, FINRA Individual Central Registration Depository (CRD) Number

**Nebraska:** Section 1-24Demographic or BackgroundQuestions

* For the Uniform Application for Individual Producer License Renewal/Continuation we recommend that a question be added to either the demographic section or the background section which re-verifies the applicants citizenship/immigration status.
* A Permanent Resident Card is proof of permanent resident status in the United States. It also serves as a valid identification document and proof that you are eligible to live and work in the United States. Permanent Most Resident Cards, commonly known as Green Cards are valid for 10 years. If you have been granted conditional permanent resident status, the card is valid for only 2 years.
* We currently ask the “citizenship” question on the uniform license application and require the applicant to provide proof of eligibility to work in the U.S.  Since their eligibility does in fact have an expiration date, it makes sense that we should re-verify the information upon license renewal.
* For Nebraska we validate citizenship on average 29 times per month or 340 times in a 12 month period.

**Page 1: Section 26 – General Background Questions**

**Nebraska:** BackgroundQuestions

* This suggestion applies to all applications that ask the background question: “Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration?”  Our Legal Division has asked if a comma can be added after “arbitration proceeding,”.  This came to light during a license hearing when a producer claimed that the wording/syntax of the sentence did not require him to report administrative action against his lawyer’s license.

**Oklahoma:** Background Questions

* Background questions – before starting the questions just preface with  “Since your last renewal date: have you had a misdmnr/felony etc…”  this is so they don’t report previously reported convictions.  **The online app** does say ‘since your last renewal have you …..’but not paper app
* The Background questions exclusions are  “You may exclude the following misdemeanor convictions or pending misdemeanor charges: traffic citations, driving under the influence (DUI), driving while intoxicated (DWI), driving without a license, reckless driving, or driving with a suspended or revoked license”
* Our legal division feels this needs to be expounded on or explained why such offenses as public intox and misdemeanors for minor drug possession are not excluded.  We would like to see those types of charges excluded as well.

**SILA:** Section 26

* On any form, where the term “Conviction” is defined, it appears as, or similar to, as follows:
* ***NOTE:*** *For Questions 1a, 1b, and 1c “****Convicted”*** *includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere or no contest, or having been given probation, a suspended sentence or a fine.*
* With the increasing number of courts issuing first offender dispositions (First Offender Program, Deferred Adjudication, Accelerated Rehabilitative Disposition, and so forth), the defendant must enter a plea of guilt and often receives a period of supervision (probation) with possible monetary penalty. Both during and after the program completion, it is not considered a “conviction” under applicable state law.
* To limit confusion to the applicant, administrator and regulator in terms of how to handle lower level offenses or infractions, we are requesting the following definition of ‘conviction’:
* “Convicted” for the purposes of the questions below relates to any misdemeanor or felony level criminal act in which you have been found guilty by verdict of a judge or jury, have entered a plea of or nolo contendere, no contest, or other similar plea, are currently under any type of court ordered supervision related to a criminal act, and/or have ultimately received an adjudication of guilt in any manner.  Conviction does not, for the purposes of this document, refer to any act or event in which a plea of guilt was entered in order to receive a first offender disposition, deferred adjudication, or suspended sentence program and that program was successfully completed, resulting in a final dismissal of changes, or any history that has officially been expunged via a court order.

**Page 1: Section 26 – Question 1a-1c**

**California:** Section 26 Question 1a

* **NOTE:** For Questions 1a, 1b and 1c, **“Convicted”** includes, but is not limited to, having been found guilty by verdict of a judge or jury or having entered a plea of guilty or nolo contendere or no contest
  + NOTE: Removed “or having been given probation, a suspended sentence, or a fine.” Courts cannot impose criminal sanction without a plea or verdict.
* (1a) Comment “This might be something that the various states need to weigh in on with how their specific state law applies”
* (1a) You may also exclude juvenile adjudications (~~offenses where you were adjudicated delinquent in a juvenile court~~)

**Connecticut:** Section26Questions 1 & 2

* Bold the word “**EVER**.” When we question licensees about incidents or actions that we have found, many respond with, “I thought it meant 5 years, or 10 years, or it was when I was in college, etc.”

**Idaho:**  Section 26 Question 1a

* 1 a. Have you ever been convicted of a misdemeanor, had a judgment withheld, deferred or continued without finding, or are you currently charged with committing a misdemeanor?

**California:** Section 26 Question 1b

* (1b) You may exclude juvenile adjudications ~~(offenses where you were adjudicated delinquent in a juvenile court)\~~
* (1b) If you have a felony conviction involving dishonesty or breach of trust, have you applied for written consent to engage in the business of insurance in your home state as required by 18 USC 1033?
  + What do states do in regards to 1033 being granted in other states? CA does not simply accept 1033 consent from other states and, in certain instances, has a different interpretation of which convictions require 1033 consent (i.e. Some states consider certain drug offense as requiring 1033 consent, CA does not).
* (1b) If so, was consent granted? (Attach copy of 1033 consent approved by home state.)
* There needs to be something to indicate to the applicant that if they need 1033 consent and have not received it they cannot continue on with the application. Something that says “STOP – if you have a felony involving dishonesty and have not applied for consent you must apply for, and receive, consent before you can complete this application.” CA considers an application from an applicant who needs 1033 consent but has not received it to be “incomplete”.

**Idaho:**  Section 26 Question 1b

* 1b. Have you ever been convicted of a felony, had a judgment withheld, deferred or continued without finding, or are you currently charged with committing a felony?
* *Continuance without a finding (CWOF) in some states is equivalent to other resolutions without conviction where the court agrees to not render a verdict for a period of time in exchange for defendant complying with conditions of the court—like a withheld—and can be dismissed successfully if defendant complies.*

**Ohio:** Section 26 Questions 1a – 1c

* Update: NOTE: For Questions 1a, 1b, and 1c, “Convicted” includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere or no contest, or having been given probation, a suspended sentence, or a fine.

If you answered “Yes” to any of the above questions (1a, 1b, or 1c), you must attach to this application:

a) a written statement explaining the circumstances of each incident,

b) a copy of the charging documents of each incident, and

c) a copy of the official documents of each incident, which demonstrates the resolution of the charges or any final judgment.

Add: Veteran question “*Are you a member or veteran of the armed forces, or the spouse or surviving spouse of a service member or veteran?*”

Reasons for suggested changes:

* Home phone number is still a valid contact number for many.  It is on the initial application and also on the CCR form.
* Affects many applicants, but no stats are available.
* Mobile phone number is a common form of contact and many people no longer have home phone numbers.  It is also on the CCR form.
* Affects just about all applicants

Current US Citizenship information is needed by many states.  Citizenship status can change overtime and authorization to work in the US for non-US Citizens have expiration dates that need to be reviewed for continued authorization.

* Affects many applicants, but no stats are available.
* FINRA Individual Central Registration Depository (CRD) number should be on the renewal application for states to verify the FINRA registration is still the same as on initial application and remains active.
* Affects many applicants, but no stats are available.

Documents for “Yes” answers should be plural as many applicants have more than one case in which they are reporting a yes answer.

* Stats are not available, but would affect any applicant that has multiple charges/convictions.

The Veterans question allows the Department to recognize applicants who are members or veterans of the armed forces or spouses/surviving spouses and can give priority to those applicants.

* Ohio has processed 6,852 applications (10/1/16-9/30/17) from active members, veterans or spouses.

**California:** Section 26 Question 1c

* + (1c) - **~~NOTE:~~** ~~For Questions 1a, 1b and 1c,~~ **~~“Convicted”~~** ~~includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere or no contest, or having been given probation, a suspended sentence, or a fine.~~
  + Page 3 Section 38: (1c) –

If you answer yes to any of these questions, you must attach to this application:

a) a written statement explaining the circumstances of each incident,

b) a copy of the charging document,

c) a copy of the ~~official~~ certified document, which demonstrates the resolution of the charges or any final judgment.

**Page 2: Section 26 – Question 2**

**California:** Section 26 Question 2

* + (2) Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration?

“Involved” means having a license censured, suspended, revoked, canceled, terminated, or restricted; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation, sanctioned, or surrendering a license or entering into a settlement to resolve an administrative action. “Involved” also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license, or registration. “Involved” also means having a license, or registration application denied or the act of withdrawing an application or entering into a settlement to avoid a denial. INCLUDE any business so named because of your actions in your capacity as an owner, partner, officer or director, or member or manager of a Limited Liability Company or any other position that exercises management or control over the business. You may EXCLUDE terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

If you answer yes, you must attach to this application:

1. a written statement identifying the type of license and explaining the circumstances of each incident,
2. a copy of the ~~Notice of Hearing~~ pleading or other document that states the charges and allegations, and
3. a copy of the official document, which demonstrates the resolution of the charges or any final judgment.

**Connecticut:** Section 26 Question 2

* #2. Add to the definition of “INVOLVED,” to include being **terminated** by the Broker Dealer or Voluntarily Resigning from the Broker Dealer.
* The current wording says “Involved” means having a “license” censured, suspended, terminated
* We could like to clarify or add that we also want their *explanation* and *supporting documents* if the FINRA action shows a Termination or Voluntary Resignation on the FINRA report.
* We do not have a number, but we find that those who have had a broker dealer terminate them or allow them to voluntarily resign is usually cause for further follow-up with our investigation unit.

**Florida:** Question 2

* On question #2 of the “Background Questions,” under the explanation portion under the question, can we add something like “…..or had a restricted license issued or had a license issued on probation….”  There are some states (California and Georgia, I believe) who issue a restricted license vs. an unrestricted license as a ‘penalty’, per se.

**Idaho:**  Section 26 Question 2

* Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration?

Yes \_\_\_ No\_\_\_

“Involved” means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation, sanctioned or surrendering a license to resolve an administrative action.“Involved” also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license, or registration. “Involved” also means having a license, or registration application denied or the act of withdrawing an application to avoid a denial. INCLUDE any business so named because of your actions in your capacity as an owner, partner, officer or director, or member or manager of a Limited Liability Company. You may EXCLUDE terminations due solely to noncompliance with continuing education requirements, failure to notify state of address change or failure to pay a renewal fee.

*add this as an exemption for items needing disclosure. Allow states to fine and take action but omit as an offense that must be reported so that other states actions cannot be taken for not reporting the action.*

**Oklahoma:** Section 26Question 2

* There are no questions to ask individual licensees or BE’s if they have ever had an appointment with an insurance Carrier Terminated for cause.  A lot of time the Carrier will not enter in a termination for cause to the PDB as “for cause” but we feel it is important to ask every licensee if this has taken place .  This can be added to background question #2 on the ORIGINAL APP and RENEWAL applications.

**Nebraska:** Section 26Question 2

* This suggestion applies to all applications that ask the background question: “Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration?”  Our Legal Division has asked if a comma can be added after “arbitration proceeding,”.  This came to light during a license hearing when a producer claimed that the wording/syntax of the sentence did not require him to report administrative action against his lawyer’s license.

**SILA:**  Section 26 Question 2

* We are asking for additional clarification for the term “Involved”.
* *Involved means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, placed on probation, sanctioned or surrendering a license to resolve an administrative action. “Involved” also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license, or registration. “Involved” also means having a license, or registration, application denied or the act of withdrawing an application to avoid a denial. INCLUDE any business so named because of your actions in your capacity as an owner, partner, officer or director, or member or manager of a Limited Liability Company. You may exclude terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.*

Is the applicant required to disclose late action regulatory filing fines or fees (example: late address change fines)? Or, are late filing fees not considered administrative actions and are outside of the disclosure requirements?

* Also suggest the removal “noncompliance with continuing education requirements” from business entity applications.
* We do not have a number, but we find that those who have had a broker dealer terminate them or allow them to voluntarily resign is usually cause for further follow-up with our investigation unit.

**Page 2: Section 26 – Question 3**

**California:** Section 26 Question 3

* (7) Do you have a child support obligation in arrearage?

If you answer yes,

1. by how many months are you in arrearage?
2. are you currently subject to ~~and in compliance with any~~ a repayment agreement?
3. are currently in compliance with the repayment agreement?
4. are you the subject of a child support related subpoena/warrant?

(If you answered yes, provide documentation showing proof of current payments or an approved repayment plan from the appropriate state child support agency.)

~~(If you answered yes, provide documentation showing proof of current payments or an approved repayment plan from the appropriate state child support agency.)~~

**Connecticut:** Section 26Question 3

* As regards any demand for payment, would like to include if they have reported a Judgement/Lien on their FINRA report.
* Would like to add Question #3 to All **renewal** applications.

**Page 2: Section 26 – Question 4**

**California**: Section 26 Question 4

* (4) In response to a “yes” answer to one or more of the Background Questions for this application, are you submitting the required document(s) to the NAIC/NIPR Attachments Warehouse?

If you answer yes

Will you be associating (linking) previously filed documents from the NAIC/NIPR Attachments Warehouse to this application?

(Comment: What happens if they check “No” but they have said “yes” to one of the background questions. Does there need to be something that states, “If you answer no, you must submit the required documents to the state’s department of insurance you are applying to”?

**Note:** If you have previously submitted documents to the Attachments Warehouse that are intended to be filed with this application, you **must** go to the Attachments Warehouse and associate (link) the supporting document(s) to this application based upon the particular background question number you have answered yes to on this application.  You will receive information in a follow-up page at the end of the application process, providing a link to the Attachment Warehouse instructions.

**Connecticut:** Section 26Question 4

* Would like to change question to: Do you currently have any State or Federal/IRS delinquent or outstanding tax obligations? If yes, do you have a payment arrangement, and is it current? Provide explanation and copy of repayment agreement.
* We are finding that licensees will submit a payment agreement from several years ago that is not currently being paid.
* Would like to add Question #4 to All **renewal** applications.

**Page 3: Section 27**

**IIABA:** Attestation 1-7

* **Issue #1 –** Each of the forms includes attestations that (1) authorize the jurisdictions to which an application is submitted “to give any information concerning [an applicant], as permitted by law, to any federal, state or municipal agency, or any other organization and (2) to “release the jurisdictions and any person acting on their behalf from any and all liability of whatever nature by reason of furnishing such information.” IIABA is extremely troubled by both elements of this attestation (which appears to be unique to the insurance industry), and we encourage the NAIC to either remove it from the applications altogether or to make significant revisions. This statement permits state officials to share any information about a producer or applicant with *any* public or private organization and excuses regulators and others who obtain access to such information from *any* liability (regardless of circumstances, culpability of the party involved, injury to the affected person, etc.), and this boundless authorization and waiver is inappropriate and troubling. Producers and prospective producers have no choice whether to agree to this attestation, opportunity to inquire about its effect, or ability to reduce its scope, as they are compelled to agree to the statement in order to obtain their necessary licenses and to engage in their chosen professions. This issue affects every producer in the country and should be addressed by the Producer Licensing Task Force.
* **Issue #2** – The initial producer application forms (for both individuals and business entities) include an “Attachments” section at the very end. The section is a two-part disclosure that advises applicants about the attachments that must accompany an application and directs them to the State Matrix of Business Rules to determine exactly what must be submitted. IIABA urges the task force to revise this section in two ways. First, we believe the first statement should be deleted. In its current form, the statement simply notes that regulators in jurisdictions where a nonresident license is being sought will rely on the State Producer Database to confirm licensure in the applicant’s home state. The statement does not identify any documents or attachments that must accompany the application (which is the purpose of this section), so it can be removed. Second, if producers and applicants are expected to review the State Matrix of Business Rules and include any identified attachments with an application, then we urge the task force to include a more direct web address in this section. The applications currently make reference to the generic [www.nipr.com](http://www.nipr.com) address, and a more direct link to the matrix would be beneficial. One possible alternative for this section follows below:

***Attachments***

*Applicants must submit the jurisdiction-specific attachments listed in the State Matrix of Business Rules (insert appropriate link) with this application. Applications submitted without the required attachments may be returned unprocessed or considered deficient.*