

## National Association of Registered Agents and Brokers (NARAB)

- *The NAIC supports the National Association of Registered Agents and Brokers Reform Act of 2013 (S. 534/H.R. 1155).*
- *The legislation would create a non-profit entity, the National Association of Registered Agents and Brokers (NARAB), to streamline non-resident market access for insurance agents and brokers (“producers”) while ensuring that producers remain subject to the full range of state market conduct authorities to police bad actors.*
- *Any final legislation creating NARAB must preserve regulator control of the Board, protect the ability of state regulators to police producer conduct and take appropriate enforcement action, and must be revenue neutral to the states.*

### Background

The National Association of Registered Agents and Brokers Reform Act would amend the Gramm-Leach-Bliley Act to create the NARAB entity, and its Board of Directors would establish membership requirements applicable to eligible non-resident insurance producers and provide access to every state on a non-resident basis. Specifically, the bill would create a 13-member governing board with 8 state insurance commissioners and 5 insurance industry representatives. The legislation preserves the rights of a State pertaining to resident licensing and continuing education, supervision and enforcement of conduct, and disciplinary actions for non-resident producers, and leaves intact a state’s full range of authorities for resident producers. The bill also includes important disclosures to the states, addresses business entity licensing, and protects state revenues.

### Key Points

- The NAIC recognizes the mechanics of non-resident producer licensing can be further streamlined by federal action, but this should not undermine state regulatory authorities to protect insurance consumers and take enforcement action against malfeasant producers.
- The NAIC worked with producer groups to reach consensus on the legislative language in this bill.
- We will continue to work in the 113<sup>th</sup> Congress to ensure that any version of this legislation reflects this consensus and preserves state authority and consumer protection.