The Producer Licensing (D) Task Force met in Austin, TX, Dec. 7, 2019. The following Task Force members participated: Larry Deiter, Chair (SD); Mike Kreidler, Vice Chair, represented by Jeff Baughman (WA); Lori K. Wing-Heier represented by Jacob Lauten (AK); Allen W. Kerr represented by Letty Hardee (AR); David Altmaier represented by Matt Tamplin (FL); Doug Ommen represented by Andria Seip (IA); Vicki Schmidt (KS); James J. Donelon represented by Barry Ward (LA); Anita G. Fox represented by Michele Riddering (MI); Chlora Lindley-Myers represented by Carrie Couch and Marjorie Thompson (MO); Mike Causey represented by Angela Hatchell (NC); Jon Godfread represented by John Arnold (ND); Bruce R. Ramge represented by Peg Jasa (NE); Marlene Caride represented by Phil Gennace (NJ); John G. Franchini represented by Victoria Baca (NM); Jillian Froment represented by Jana Jarrett (OH); Glen Muleady represented by Teresa Green (OK); Elizabeth Kelleher Dwyer represented by Beth Vollucci (RI); Raymond G. Farmer represented by Lee Hill (SC); Kent Sullivan represented by Chris Herrick (TX); Todd E. Kiser represented by Randal Overstreet (UT); Scott A. White represented by Mike Beavers (VA); James A. Dodrill represented by Ellen Potter (WV); and Jeff Rude (WY).

1. **Adopted its Oct. 25 Minutes**

   The Task Force met Oct. 25 and took the following action: 1) adopted its Summer National Meeting minutes; 2) adopted its 2020 proposed charges; 3) discussed amendments to the NAIC Uniform Licensing Standards (ULS) for surplus lines; 4) discussed the role of chatbots in the distribution of insurance; and 5) discussed NAIC/FINRA data sharing.

   Mr. Hill made a motion, seconded by Mr. Baughman, to adopt its Oct. 25 minutes (Attachment One). The motion passed unanimously.

2. **Adopted Revisions to the Handbook**

   Mr. Beavers said the Producer Licensing Uniformity (D) Working Group reviewed the *State Licensing Handbook* (Handbook) during conference calls, with all comments and drafts being shared with interested parties on the NAIC website. The first conference call occurred Aug. 21, and the Working Group met six more times via conference call. The Working Group adopted the revised Handbook during its Oct. 30 conference call.

   Mr. Beavers said some of the more significant changes include: 1) exact language of the *Producer Licensing Model Act* (#218), when referenced, was added to the Handbook; 2) the appendix was removed from future hard copy publications and will be made available in an electronic format on the NAIC website; 3) a link was added to the NAIC web page for current information about the National Association of Registered Agents and Brokers (NARAB); 4) language was removed regarding the National Insurance Producer Registry’s (NIPR) implementation of the Contact Change Request application; and 5) the licensing reciprocity examples were clarified.

   Mr. Overstreet made a motion, seconded by Mr. Lauten, to adopt the revised *State Licensing Handbook* (see NAIC Proceedings – Fall 2019, Market Regulation and Consumer Affairs (D) Committee, Attachment Four). The motion passed unanimously.

3. **Adopted the 2019 CER Agreement**

   Mr. Beavers said the form was created by combining information from the 2004 Continuing Education Declaration regarding continuing education (CE) reciprocity course approval and the 2004 Continuing Education Reciprocity (CER) Agreement.

   Mr. Beavers said the Uniform Education (D) Working Group adopted the CER Agreement during its Oct. 31 conference call. This agreement is used to support the use of the Uniform Continuing Education Reciprocity Course Filing Form, which CE providers may use to streamline the course-approval process in multiple states. Through the reciprocal approval process, the CE provider’s home state conducts a substantive review of the CE course; therefore, non-resident states do not need to perform a similar review.

   Ms. Potter made a motion, seconded by Mr. Hill, to adopt the 2019 CER Agreement Handbook (see NAIC Proceedings – Fall 2019, Market Regulation and Consumer Affairs (D) Committee, Attachment Five). The motion passed unanimously.
Draft Pending Adoption

4. Discussed Amendments to the NAIC ULS for Surplus Lines

Director Deiter said the Surplus Lines (C) Task Force sent a request to the Producer Licensing (D) Task Force Aug. 4, 2018, to consider whether the requirement of a resident producer to hold underlying property/casualty (P/C) licenses before a surplus lines license is issued should be expanded to permit an accident and health (A&H) license to fulfill this underlying license requirement.

Director Deiter said the Task Force had multiple discussions on this topic at NAIC national meetings and during an interim conference call in October. Upon the last review of comments submitted Nov. 15, Director Deiter said there continues to be divergent views on what, if any, changes should be made to the ULS. Because of this, Director Deiter suggested it may be premature to modify the ULS for surplus lines and the chapter of the State Licensing Handbook that addresses surplus lines licensing. Director Deiter said he believes it would be better for consumers and the industry if each state implements changes to state laws, as needed, as the market for A&H surplus lines products develops.

Director Deiter asked if there were any objections or comments regarding his suggested direction.

John Fielding (Council of Insurance Agents & Brokers—CIAB) said the CIAB does not object to this direction and requested the Task Force be willing to address this issue in the future if there is a need for states to move in uniform direction.

Director Deiter said the Task Force could revisit this issue in the future, if needed, to ensure the necessary consumer protections are in place and the regulatory framework is appropriate to facilitate the delivery of needed insurance products through the surplus lines market.

Hearing no other comments, Director Deiter said there is not a need for a motion since the Task Force is not taking any affirmative action to change the ULS. Director Deiter said this concludes the Task Force’s discussion of the request.

5. Adopted the Reports of the Producer Licensing Uniformity (D) Working Group and the Uniform Education (D) Working Group

Director Deiter said Chris Murray, Producer Licensing Uniformity (D) Working Group chair, and Rachel Chester, Uniform Education (D) Working Group chair, were not able to attend this meeting and that written reports have been made available. Director Deiter asked if there were any questions or comments on the reports.

Commissioner Schmidt made a motion, seconded by Mr. Hill, to adopt the reports of the Producer Licensing Uniformity (D) Working Group, including its Oct. 30 (Attachment Two), Oct. 10 (Attachment Three), Sept. 26 (Attachment Four), Sept. 12 (Attachment Five), Aug. 29 (Attachment Six) and Aug. 21 (Attachment Seven) minutes, and the Uniform Education (D) Working Group, including its Oct. 31 (Attachment Eight) and Aug. 22 (Attachment Nine) minutes. The motion passed unanimously.

6. Heard a Report from the NIPR Board of Directors

Director Deiter said the NIPR Board of Directors met Dec. 6. During this meeting, the Board heard a report from the NIPR Audit Committee, which reported NIPR’s total revenues are $3,555,225 (10.2%) above budget through October and 13.9% above the prior year. The Board approved NIPR’s 2020 budget, with projected revenues of $46.1 million and projected expenses of $43.3 million. The Board heard an update on the progress of implementing NIPR’s strategic plan, which will be completed in 2020. In addition to the general progress on the plan, two major strategic initiatives have been accomplished this year. NIPR implemented Florida for resident licensing for its individual insurance producers, and it is anticipated Florida’s resident business entities will be available before year-end.

Having no further business, the Producer Licensing (D) Task Force adjourned.

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