

# **COMMENTS ON 1033 TEMPLATE**

**Draft of June 2, 2025**

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**ACLI, Finseca, NAIFA**

**DELAWARE**

### **Delaware – 1033 Template Comments**

After reviewing the proposed changes, we have the following comments:

1. Is this a replacement for the Federal 1033 Waiver Request Application or an NAIC recommended revision to that Federal form?
2. In Section IV, Attachments , item 4 and item 6, we object to the wording “if applicable” We feel the acknowledgment/confirmation by the employer of the criminal background is important. We feel this wording would allow the applicant to fight us on the requirement and delay the licensing process.

We may have missed the purpose of these changes. Delaware created an alternate form for our State based on the Federal 1033 Waiver Request Application for those candidates with felony convictions other than ones related to breach of trust or dishonesty. The revised form was specific to Delaware and not intended to replace the Federal form. Are the proposed changes intended to replace the 1033 Waiver Application to be used consistently by all States?

Sincerely,

Robin L. Pyfer, MCM  
Supervisor of Market Conduct and Producer Licensing

July 2, 2025

Director Larry D. Deiter  
Department of Labor and Regulation  
South Dakota Division of Insurance  
124 S. Euclid Ave, 2nd Floor, Pierre, SD 57501

Re: Comments on the June 2025 Draft Template for 1033 Consent Process

CC: Tim Mullen, Director, Market Regulation, National Association of Insurance Commissioners

Dear Director Deiter:

Thank you for the opportunity to comment again on the draft Template for 1033 Consent Process. With our ongoing commitment to expanding access to financial security products and closing the coverage gap for middle class and lower income families, we believe this discussion on 1033 consent reform is an important step. As we have commented previously, we believe that, while we support Section 1033 and believe only morally fit and competent individuals should be granted licenses, the removal of unnecessary barriers to licensure is in society's best interest. We believe that states, insurance producers and consumers will benefit from a consistent and transparent process for 1033 consents while also preserving the important protections for our customers, including vulnerable adults. Recruitment and retention of well-qualified and well-vetted candidates is a common goal for our associations, and we believe for the NAIC as well.

We support the NAIC's goal of simplifying the 1033 waiver form process and developing uniformity and a consistent approach, for states to adopt. However, we do have several suggestions in connection with the Template for 1033 Consent Process language in the exposed discussion draft:

One remaining concern that we have is the continued inclusion of Nolo pleas in the draft Template. Nolo and similar pleas like no contest are typically required for "pre-trial" diversion program. These pleas are generally only available to first-time offenders charged with lesser offences. Operationally, these pleas of Nolo and other similar pleas are required to enter the diversionary program, which if successfully completed expunges an individual's record and therefore no "conviction" has ever occurred.

We believe that inclusion of Nolo pleas could inadvertently increase the numbers of applicants required to go through a 1033 waiver and would run counter to the goals of diversion programs. Applicants also are still required to disclose to Department of

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Insurance these pleas in their uniform application, so Departments are already receiving disclosure of these pleas, just outside of the 1033 consent process.

We greatly appreciate the opportunity to provide comments on the 1033 consent discussion draft. We welcome any questions you may have and look forward to working with you on this and other aspects of the producer licensing process.

Sincerely,



David Leifer  
Vice President & Associate  
General Counsel  
American Council of Life  
Insurers



Melissa Bova  
Senior Vice President,  
State Affairs & Policy  
Finseca



Roger Moore  
Policy Director  
NAIFA