

Draft Pending Adoption

Draft: 8/18/25

Producer Licensing (D) Task Force
Minneapolis, Minnesota
August 12, 2025

The Producer Licensing (D) Task Force met in Minneapolis, MN, Aug. 12, 2025. The following Task Force members participated: Larry D. Deiter, Chair (SD); Sharon P. Clark, Vice Chair (KY); Heather Carpenter (AK); Mark Fowler represented by Jimmy Gunn (AL); Alan McClain represented by Lori Plant (AR); Ricardo Lara represented by Charlene Ferguson (CA); Karima M. Woods represented by Sheila Johnson-Parker (DC); Dean L. Cameron (ID); Vicki Schmidt (KS); Timothy J. Temple represented by Matthew Steward (LA); Marie Grant represented by Shelly Taylor-Barns (MD); Anita G. Fox represented by Michele Riddering (MI); Angela L. Nelson (MO); Mike Chaney represented by Vanessa C. Miller (MS); Mike Causey represented by Angela Hatchell (NC); Jon Godfread represented by Janelle Middlestead (ND); Eric Dunning (NE); Judith L. French (OH); Glen Mulready represented by Erin Wainner (OK); TK Keen represented by John Haworth (OR); Michael Humphreys represented by David Buono (PA); Elizabeth Kelleher-Dwyer (RI); Cassie Brown represented by Jessica Barta (TX); Scott A. White represented by Richard Tozer (VA); Patty Kuderer represented by Andrew Davis (WA); Nathan Houdek represented by Christina Keeley (WI); and Allan L. McVey represented by Gregory A. Elam and Robert Grishaber (WV).

1. Adopted its Spring National Meeting Minutes

Commissioner Clark made a motion, seconded by Director Dunning, to adopt the Task Force's March 25 minutes (see *NAIC Proceedings – Spring 2025, Producer Licensing (D) Task Force*). The motion passed unanimously.

2. Adopted the 1033 Waiver Template

Tozer said he led a small group of subject matter experts (SMEs) to revise the 1033 waiver template after the Spring National Meeting. The template was exposed for a 30-day public comment period ending July 18. Tozer said the following changes were made after the Spring National Meeting:

- **Section 1:** A drafting note was added to clarify the difference between the use of the term “waiver” and “written consent.”
- **Section 2:** This section was modified to indicate a person must seek a written consent in their home state but that a state may require a nonresident prohibited person to apply for a 1033 written consent if: a) the home state did not require 1033 written consent; or b) when the home state does not issue 1033 written consents on the same basis as the nonresident state. Tozer said this change was made because there can be situations when an applicant's home state does not, as a matter of regulatory policy, issue any waivers or a state limits the scope of its waivers to activities within its jurisdictions.
- **Section 3:** The drafting note to the definition of conviction was modified to clarify “states should not consider for written consent a person who has successfully completed deferred adjudication and has not been convicted of a qualifying felony”; and “States may include in the definition of ‘Conviction’ a plea in abeyance, a diversion, a sealed, or an expunged conviction.” Two drafting notes were added to the definition of felony. The first drafting note indicates the definition of felony varies according to state law. The second drafting note adds a cross-reference to Attachment C of the *NAIC Guidelines for State Insurance Regulators to the Violent Crime Control and Law Enforcement Act of 1994*, which provides guidance for evaluating which felonies involve “dishonesty or breach of trust.”
- **Application Form:** Questions 1 and 2, which ask about felony convictions and the details of a felony conviction, were combined into one question. There were also edits to the Section IV—Attachments, which address the submission of a letter of recommendation and a letter from an applicant's employer or prospective employer indicating they are aware of felony convictions.

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Ferguson said California supports the current draft of the template. In response to written comments from Delaware and a combined comment letter from the American Council of Life Insurers (ACLI), Finseca, and National Association of Insurance and Financial Advisors (NAIFA), Ferguson said the phrase “if applicable” needs to be retained in the Application Form because many 1033 applicants do not have an employer or prospective employer at the time they apply for the consent. Ferguson said the 1033 Consent Application Form should continue to require individuals with “nolo contendere pleas and no contest pleas” involving qualifying convictions. Ferguson said a state insurance regulator can use the no-contest plea even if the court suspends imposition of sentencing or places the defendant into a diversion program. Ferguson said California’s 1033 regulations expressly state that a no-contest plea equals a conviction. Ferguson said the only time the regulator may be unable to use a plea of no contest or even a plea of guilty is when the court refrains from entering a judgment or order formally adjudicating the defendant as guilty.

David Leifer (ACLI) said the the ACLI, Finseca, and NAIFA support the NAIC’s goal of simplifying the 1033 waiver process and developing uniformity, but they remain concerned about continued inclusion of nolo pleas in the draft template. Leifer said nolo and similar pleas like no contest are typically required for pre-trial diversion programs. These pleas are generally only available to first-time offenders charged with lesser offenses. Leifer said individuals who enter nolo pleas and other similar pleas are required to enter a diversionary program, which, if successfully completed, expunges an individual’s record and, therefore, no conviction has ever occurred. Leifer said the inclusion of nolo pleas could inadvertently increase the number of applicants required to go through a 1033 waiver and would run counter to the goals of diversion programs. Leifer said applicants still disclose these pleas in their applications and that state insurance departments are receiving these disclosures outside the 1033 consent process.

Hearing no additional comment, Tozer made a motion, seconded by Dunning, to adopt the revised 1033 waiver template (Attachment One). The motion passed, with North Carolina abstaining.

3. Adopted its Working Group Reports

A. Adjuster Licensing (D) Working Group

Director Dwyer said the Working Group met Aug. 8 (Attachment Two), July 10 (Attachment Three), and April 2 (Attachment Four). Director Dwyer said the Working Group continues to review suggested revisions to Chapter 18 —Adjusters of the *State Licensing Handbook*. The Working Group formed a regulator SME group to review issues surrounding adjuster-designated home state licensing and is developing a proposed set of standards for public discussion. The Working Group is discussing the development of a consistent set of standards that would provide greater licensing uniformity and reciprocity for states that license both company and independent adjusters.

B. Producer Licensing Uniformity (D) Working Group

Wainner said the Working Group met Aug. 5 (Attachment Five), July 15 (Attachment Six), June 17 (Attachment Seven), and May 20 (Attachment Eight). Wainner said the Working Group discussed the Uniform Licensing Standards (ULS) and state compliance with the standards. The Working Group continues to review suggested revisions to Chapter 9—Lines of Insurance, Chapter 10—Surplus Lines, and Chapter 11—Appointments of the *State Licensing Handbook*.

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C. Uniform Education (D) Working Group

Tozer said the Working Group met Aug. 6 (Attachment Nine), July 9 (Attachment Ten), June 18 (Attachment Eleven), and May 7 (Attachment Twelve). Tozer said the Working Group continues to review suggested revisions to Chapter 6—Prelicensing Education, Chapter 8—Testing Programs, and Chapter 14—Continuing Education of the *State Licensing Handbook*. The Working Group received a report from NAIC staff on 2024 exam pass rates, which have been published to the Working Group’s web page. The Working Group distributed a survey regarding the 2024 continuing education (CE)/licensing exam best practices. It received 40 state survey responses and is working to get the remaining responses.

Director Cameron made a motion, seconded by Director Carpenter, to adopt the reports of the Adjuster Licensing (D) Working Group, Producer Licensing Uniformity (D) Working Group, and the Uniform Education (D) Working Group. The motion passed unanimously.

4. Received a Report from NIPR

Director Deiter said the National Insurance Producer Registry (NIPR) Board of Directors meeting was held Aug. 10. For the first half of 2025, NIPR revenues were \$45.7 million, which is 6.2% over budget. Expenses were \$44.3 million, which is 3.5% over budget due to the increase in NIPR’s revenue.

Laurie Wolf (NIPR) said significant progress has been made by expanding electronic solutions for states and industry (Name Change: implemented in 36 states, Designated Responsible Licensed Producer Change: implemented in 28 states, and Contact Change Request: implemented in 40 states for business entities). Wolf said NIPR continues to add new license classes, such as pharmacy benefit managers (PBMs) and adjusters. NIPR will launch a redesigned website (NIPR.com) this month.

Wolf said NIPR, in collaboration with the NAIC, completed its second producer licensing zone training with Midwest Zone training. Twelve of the 13 Midwest Zone states participated. Training will be scheduled in 2026 for the Southeast Zone and Northeast Zone. Wolf said the training provides an opportunity for state insurance regulators to address industry issues, engage in peer dialogue, and discuss best practices for producer licensing.

Wolf said NIPR assisted with the South Dakota State Based System (SBS) conversion, bringing on new license classes, appointment renewals, and streamlined licensing processes. NIPR assisted Maine with its adjuster licensing processes and conducted training in conjunction with SBS in Puerto Rico and the Virgin Islands.

5. Discussed Other Matters

As part of the NAIC’s proposed 2026 budget, Director Deiter said there is a proposal to increase the SBS CE transaction fee. The current CE transaction fee has remained unchanged at \$1 per course since 2010. The proposal is for a 50% increase, or \$0.50, bringing the total fee to \$1.50 per reported CE hour. This aligns with the cumulative increase in the consumer price index from 2010 through August of this year. Since most producers are required to complete 24 hours of CE every two years, Director Deiter said the total increase would be \$12 over two years, or \$6 annually per producer. If approved by the NAIC Membership as part of the 2026 budget proposal, the new fee will take effect on Feb. 1, 2026.

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

SharePoint/NAIC Support Staff Hub/Committees/D CMTE/2025 Summer/PLTF/National Meeting

Draft: 11/6/25

Producer Licensing (D) Task Force
E-Vote
October 31, 2025

The Producer Licensing (D) Task Force conducted an e-vote that concluded Oct. 31, 2025. The following Task Force members participated: Larry D. Deiter, Chair (SD); Sharon P. Clark, Vice Chair (KY); Heather Carpenter represented by Kayla Erickson (AK); Mark Fowler represented by Jimmy Gunn (AL); Ricardo Lara represented by Charlene Ferguson (CA); Dean L. Cameron (ID); Vicki Schmidt represented by Monicka Richmeier (KS); Marie Grant (MD); Mike Chaney represented by Vanessa C. Miller (MS); Mike Causey represented by Angela Hatchell (NC); Ned Gaines represented by Jacob Roberts (NV); Glen Mulready represented by Erin Wainner (OK); Michael Humphreys represented by Michael Fissel (PA); Elizabeth Kelleher Dwyer represented by Rachel Chester (RI); Jon Pike represented by Randy Overstreet (UT); Scott A. White represented by Richard Tozer (VA); Patty Kuderer represented by Andrew Davis (WA); Nathan Houdek represented by Melody Esquivel (WI); and Allan L. McVey (WV).

1. Adopted its 2026 Proposed Charges

The Task Force conducted an e-vote to consider adoption of its 2026 proposed charges. A majority of the Task Force members voted in favor of adopting the Task Force's 2026 proposed charges. The motion passed.

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

SharePoint/...

*Virtual Meetings***ADJUSTER LICENSING (D) WORKING GROUP**

October 21, 2025 / September 25, 2025

Summary Report

The Adjuster Licensing (D) Working Group met Oct. 21 and Sept. 25, 2025. During these meetings, the Working Group:

1. Finalized its review of Chapter 18—Adjusters of the *State Licensing Handbook*. The Working Group reviewed all comments and determined the necessary revisions. The chapter was distributed to the Working Group and unanimously approved for submission to the Producer Licensing Uniformity (D) Working Group, in conjunction with the rest of the *State Licensing Handbook* chapter revisions.
2. Discussed the challenges across jurisdictions with designated home state (DHS) licensing. The Working Group plans to continue discussing this issue in 2026.

Virtual Meeting

PRODUCER LICENSING UNIFORMITY (D) WORKING GROUP

October 7, 2025

Summary Report

The Producer Licensing Uniformity (D) Working Group met Oct. 7. During this meeting, the Working Group:

1. Discussed its review of the *State Licensing Handbook*. The Working Group suggested revisions to Chapter 9—Lines of Insurance, Chapter 10—Surplus Lines, and Chapter 11—Appointments. The Working Group has reviewed the comments received and made the necessary revisions to all three chapters. The Working Group will continue to review Chapter 7—Application Review for Initial Licenses, Chapter 12—Business Entity, Chapter 13—Temporary Licenses, Chapter 19—Bail Bonds Agent, Chapter 24—Managing General Agents, Chapter 25—Multiple Employer Welfare Arrangements, and Chapter 30—Viatical and Life Settlement Brokers in 2026.
2. Discussed the importance of maintaining an up-to-date state licensing contact list for state licensing directors and designated staff. Committee support will update the contact list and distribute it to the states to ensure they update it with the correct staff information.

Virtual Meetings

UNIFORM EDUCATION (D) WORKING GROUP

December 4, 2025 / October 15, 2025 / September 10, 2025

Summary Report

The Uniform Education (D) Working Group met Dec. 4, Oct. 15, and Sept. 10, 2025. During these meetings, the Working Group:

1. Discussed its review of Chapter 6—Prelicensing Education, Chapter 8—Testing Programs, and Chapter 14—Continuing Education of the *State Licensing Handbook*. The Working Group has reviewed the suggested revisions and worked through the chapters. The chapters have been distributed to the Working Group for final review and the opportunity to vote on approval of revisions. The Working Group will present all three revised chapters to the Producer Licensing Uniformity (D) Working Group.