

2019 Fall National Meeting
Austin, TX

PRODUCER LICENSING (D) TASK FORCE
Saturday, December 7, 2019
4:30 – 5:30 p.m.

Meeting Summary Report

The Producer Licensing (D) Task Force met Dec. 7, 2019. During this meeting, the Task Force:

1. Adopted its Oct. 25 minutes, which included the following action:
 - a. Adopted its Summer National Meeting minutes.
 - b. Adopted its 2020 proposed charges.
 - c. Discussed proposed revisions to the NAIC Uniform Licensing Standards for surplus lines that would permit a state the flexibility to require both an underlying property/casualty (P/C) license and accident and health (A&H) license, only an underlying P/C license, or only an underlying A&H license prior to the issuance of a resident surplus lines license.
 - d. Discussed a draft outline of a white paper to review the role of chatbots in the distribution of insurance.
 - e. Discussed NAIC/Financial Industry Regulatory Authority (FINRA) data sharing, which will add new data fields of FINRA's Central Registration Depository (CRD) number and FINRA active/inactive status to the NAIC's State Producer Licensing Database.
2. Adopted revisions to the NAIC *State Licensing Handbook* (Handbook), which was revised to be consistent with established NAIC policy on producer licensing.
3. Adopted the 2019 Continuing Education Reciprocity (CER) Agreement. This agreement is used to support the use of the Uniform Continuing Education Reciprocity Course Filing Form (CER Form). Continuing education (CE) providers may use the CER Form 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 and, therefore, non-resident states do not need to perform a similar review for a course previously approved by the home state.
4. Discussed the Surplus Lines (C) Task Force request to consider whether the requirement of a resident producer to hold underlying P/C licenses before a surplus lines license is issued should be expanded to permit an A&H license to fulfill this requirement. There continues to be divergent views on what, if any, changes should be made to the Uniform Licensing Standards for surplus lines. The Task Force decided not to modify the Uniform Licensing Standards. The Task Force decided it would be better for consumers and the industry if each state implements changes to state laws, as needed, as the surplus line market for A&H products develops.
5. Adopted the report of the Producer Licensing Uniformity (D) Working Group, including its Oct. 30, Oct. 10, Sept. 26, Sept. 12, Aug. 29 and Aug. 21 minutes. During these meetings, the Working Group took the following action:
 - a. Drafted proposed revisions to the Handbook.
 - b. Discussed comments received on the proposed revisions to the Handbook.
 - c. Adopted the proposed revisions to the Handbook.
6. Adopted the report of the Uniform Education (D) Working Group, including its Oct. 31 and Aug. 22 minutes. During these meetings, the Working Group took the following action:
 - a. Drafted proposed revisions to the CER Agreement.
 - b. Discussed comments received on the proposed revisions to the CER Agreement.
 - c. Adopted the proposed revisions to the CER Agreement.
7. Heard a report from the National Insurance Producer Registry (NIPR) Board of Directors, which 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.

Another major accomplishment was a joint NAIC/NIPR security infrastructure initiative, data de-identification. The joint project was part of the NAIC's *State Ahead* strategic plan initiative and involved extensive work by the teams to protect personally identifiable information (PII) by masking or de-identifying the PII data in a consistent manner for all NAIC and NIPR non-production technical environments. A third strategic initiative, which is coming in January 2020, is an updated NIPR website design that will provide easier navigation and improve the user experience.