



## NAIC

### Uniform Appointment Procedures

1. Any state that requires notice of appointment of an insurance producer acting as an agent of an insurer will adopt the uniform procedures for notice of appointments/terminations of such producers as soon as is practicable or when that state adopts the requirements of the NAIC Producer Licensing Model Act.
2. States will encourage electronic filing and will discourage and phase out paper filings no later than January 1, 2004. Paper filings will be accepted, but, will only be accepted upon written request to the state.
3. States will use the new uniform appointment form for paper appointments.
4. States will utilize a billing system for payment by insurers of initial appointments. Each state may elect to bill either monthly, quarterly or annually. States that are unable to change their laws to switch to a billing system will endeavor to utilize the banking service offered by NIPR so that the method of payment does not interfere with the use of electronic process.
5. Insurers shall select the effective date of the initial appointment. The date must be expressed as mm/dd/yyyy. The appointment shall be continuous until such appointment is terminated. Each state shall establish a fee billing date by zone or other method. Insurers shall pay the appropriate fee for their appointments as of the billing date. Each state, if necessary, will enact or promulgate language similar to the following:

An insurer shall, within 15 days from the date the agency contract is executed or the first insurance application is submitted or longer if specified by state law, after its appointment or termination of its agency relationship with a producer, notify the commissioner (director) in a format prescribed by the commissioner (director).  
Failure to timely file appointment or termination notifications may subject an insurer to sanctions under (insert reference to regulation that sets amount).
6. Only one appointment/termination form or transaction shall be required per producer per company. It is the insurer's responsibility to verify that the producer is licensed and qualified to sell all products the producer sells for that insurer. States will strongly consider enacting language which permits, upon a finding of the commissioner (director), filing appointments/terminations via use of holding company numbers. Appointments may not be required for insurance agencies. (Each state will determine whether appointments will be required for insurance agencies.)
7. Terminations for cause may be submitted on the uniform form (or electronically). Additional written documentation must be submitted to the Insurance Department in accordance with the requirements of (insert appropriate citation to the state statutory provision based on NAIC Producer Licensing Model Act Section 15). Any information received by the Insurance

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Department must remain confidential in accordance with the (insert appropriate citation to the state statutory provision based on NAIC Producer Licensing Model Act Section 15).

8. Suggested definitions for states to adopt:

Appointment – means a notification filed with the insurance department that an insurer has established an agency relationship with a producer.

Appointment renewal – Continuation of a company’s existing appointment based on payment of the required fee without submission of an appointment form.

Termination for cause – means an insurer has ended its agency relationship with a producer for one of the reasons set forth in (NAIC Producer Model Section 12) or that the producer has been found by a court, government body, or self-regulatory organization authorized by law to have engaged in any of the activities set forth in (NAIC Producer Model Section 12).

9. Appointment renewals – In states that renew appointments, the following procedures shall be used:

States shall provide or publish pre-notice to companies informing them that appointment renewals are imminent.

At the time for renewal, a state will generate an invoice and may include a renewal list for delivery to each insurer. States shall work to develop electronic methods to deliver the renewal lists.

The invoice may not be altered, amended or used for appointing or terminating producers.

Payment is due at the insurance department on the prescribed due date.

The only items to be returned to the department or the department’s designee shall be the invoice and the payment.

States shall establish a dispute resolution process to accommodate errors after the fact.

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