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Producer Licensing Uniformity (D) Working Group

Conference Call

# May 9, 2018

The Producer Licensing Uniformity (D) Working Group of the Producer Licensing (D) Task Force met via conference call May 9, 2018. The following Working Group members participated: Chris Murray, Chair (AK); Karen Vourvopoulos, Vice Chair (OH); Charlene Ferguson (CA); Matthew Guy (FL); Lisa Tordjman (ID); Kevin Schlautman (NE); Lorinda Martinez (NM); Barbara D. Richardson and Stephanie McGee (NV); Rachel Chester (RI); Randy Overstreet (UT); Richard Tozer (VA); and Melody Esquivel (WI).

1. Reviewed the Individual Initial Application

Mr. Murray said the Working Group ended the last conference call reviewing the Uniform Application for Individual Producer License/Registration (Individual Initial Application), addressing Section 38, question 7. He said, continuing with the review process, the next suggestion is from California concerning Section 38, question 8. Mr. Murray said the National Insurance Producer Registry (NIPR) has also submitted comments concerning this “attachment” section. Mr. Murray said NIPR will be developing new language to address California’s concerns.

Laurie Wolf (NIPR) said NIPR has experienced a customer service issue to conform to the behavior of the online process. The behavior of the application will load the applicant’s additional documentation, and any new documentation that may be loaded at a different time will automatically send an alert notifying the state. Mr. Murray said the new language from NIPR reads:

Note: You are not required to associate or link documents in the Attachment Warehouse if you have answered YES on a recently submitted pending application and previously loaded a document for the same application type (e.g. same non-resident license application type to a different state) related to the same background question. The state(s) included in this application will receive an alert advising them that the documents were previously loaded and are available for review. If you have not previously loaded documents in response to the same question on the same type of application, you may load the documents after you have successfully completed your license application. You will receive information in a follow-up page at the end of the application process, providing a link to the Attachment Warehouse instructions.

Mr. Murray said an alternative suggestion was submitted from Washington, stating as follows:

Note: You are not required to associate or link Attachment Warehouse documents if:

* You have recently submitted an app that is pending
* The app recently submitted is the same type of app (non-resident but to a different state) you are submitting
* You answered “yes” to the same background questions

The state(s) identified on this app will receive an alert that your supporting docs were previously loaded and are available.

If you have not previously loaded your supporting docs, you may do so after you have successfully completed your app that will provide a link to the Attachment Warehouse instructions.

Ms. Wolf said the second suggestion format would be acceptable to NIPR, as long as it could be reviewed and revised as needed. Ms. Wolf said she would meet with the NIPR Customer Service team to develop language in a bullet-point format so it would be easier to read by applicants and will provide the draft language to the Working Group for consideration.

Ms. Vourvopoulos said that she would like to have language included advising applicants that they need to provide documentation to the state. The Working Group discussed and agreed with her suggestion. Ms. Wolf said NIPR would take that request into consideration as new language is developed. Ms. Wolf said NIPR will work on the new version so that the language will encompass all necessary areas for applicants to understand the attachment process. Mr. Murray said the draft language would be issued for review amongst the regulators.

Mr. Murray said the next suggestion is from the Independent Insurance Agents and Brokers of America (IIABA) asking that the Working Group review Section 40 addressing attachments. Mr. Murray said the IIABA has suggested the Working Group either remove this section from the applications altogether or to make changes to appropriately reflect that this section is specific to attachments. Mr. Murray said the IIABA believes this statement permits state officials to share any information about a producer or applicant with *any* public or private organization and excuses regulators and others who obtain access to such information from *any* liability (regardless of circumstances, culpability of the party involved, injury to the affected person, etc.), and this boundless authorization and waiver is inappropriate and troubling. Producers and prospective producers have no choice whether to agree to this attestation, opportunity to inquire about its effect, or ability to reduce its scope, as they are compelled to agree to the statement in order to obtain their necessary licenses and to engage in their chosen professions. The IIABA states this issue affects every producer in the country and should be addressed by the Working Group.

The Working Group discussed and agreed that the language should remain because the applications are used in electronic and hardcopy, but the language should be removed from Section 40 and added to Section 39 – Applicant’s Certification and Attestation. The Working Group discussed the removal of language concerning the “Letter of Certification from resident state.” The decision was to add the following language: “The state will rely on an electronic verification of an Applicants’ resident license through the NAIC’s State Producer Licensing Database in lieu of requiring an original Letter of Certification from the resident state.”

Mr. Murray said the second suggestion from the IIABA is concerning Section 40, question 2. Mr. Murray said the IIABA states that, in its current form, the statement simply notes that regulators in jurisdictions where a nonresident license is being sought will rely on the State Producer Licensing Database to confirm licensure in the applicant’s home state. The statement does not identify any documents or attachments that must accompany the application (which is the purpose of this section), so it can be removed. Second, if producers and applicants are expected to review the State Matrix of Business Rules and include any identified attachments with an application, then the IIABA urges the Task Force to include a more direct web address in this section. The applications currently make reference to the generic [*www.NIPR.com*](http://www.NIPR.com) address, and a more direct link to the matrix would be beneficial.

Mr. Murray said the IIABA suggests new language: “Applicants must submit the jurisdiction-specific attachments listed in the State Matrix of Business Rules (insert appropriate link) with this application. Applications submitted without the required attachments may be returned unprocessed or considered deficient. The Working Group discussed and agreed this question should also be removed and added to Section 39 – Applicant’s Certification and Attestation. The Working Group discussed and created new language stating: “I acknowledge that jurisdiction specific attachments may be required with this application. State Specific Requirements and Fees information are available at [*www.NIPR.com*](http://www.NIPR.com). Incomplete applications may be returned as unprocessed and considered deficient.”

Mr. Murray said Oklahoma submitted a comment that department staff have been questioned during several legal hearings about the legality of having an “Authorized Submitter” fill out an application for an applicant. Oklahoma stated that there is no legal recourse to go after a “submitter” when information is intentionally falsified. Oklahoma believes it would be beneficial to discuss this portion off the application with other regulators to determine if additional information about the submitter (e.g., date of birth, Social Security number, contact information, etc.) can be gathered so the state can take action against a submitter in the event of willful falsification. Oklahoma said the NIPR user agreement briefly touches on this issue, but to Oklahoma’s knowledge, NIPR does not keep track of or require a signed authorization for a submitter to complete on behalf of an applicant. Ms. Vourvopoulos said the paper application requires the original applicant’s signature and that it would cause more issues if this is changed because the intent is that the applicant is the one filling out and submitting the application. The Working Group discussed and agreed that there would be no change.

Mr. Murray said, at this time, all comments on the Individual Initial Producer Application have been reviewed except for the comments submitted to the NAIC Legal Division. Mr. Murray said those additional comments would be reviewed and discussed on the Working Group’s June 6 conference call.

# Having no further business, the Producer Licensing Uniformity (D) Working Group adjourned.

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