

## Chapter 16

### License Renewal and Reinstatement

#### License Renewal

Under the *Producer Licensing Model Act* (#218), the general rule is that a producer license remains in effect unless suspended, cancelled or revoked. All states have a procedure for individual producers to verify compliance with continuing education (CE) requirements. In states that renew licenses, the CE compliance period should coincide with the license renewal.

The Producer Licensing (EX) Working Group has adopted a uniform license renewal application that is recommended for use by states that renew producer licenses. The current version of the application can be found on the Working Group's web page. States should use the data elements from the uniform renewal application, whether renewal is done via paper application or electronically.

The previous reciprocity provisions of the Gramm-Leach-Bliley Act (GLBA) also applied to the license renewal of nonresidents. The process should be similar to initial licensing:

1. The proper application and fee are submitted.
2. If the answers to any of the questions on the renewal application indicate conduct prohibited by Section 12 of Model #218, a state can require additional documentation.
3. No other attachments should be required.

A number of states use the electronic license renewal process. This process automatically checks the NAIC and National Insurance Producer Registry (NIPR) databases to verify the producer's standing in the home/resident state. The NIPR process uses the data elements from the uniform renewal application.

Model #218 contains a special process for producers who cannot comply with CE requirements due to military service or other extenuating circumstances.

#### Reinstatement

Model #218 allows a producer to reinstate a lapsed license within 12 months of expiration. No examination is required as long as the producer was otherwise eligible to renew. Model #218 also provides that a penalty fee can be assessed.