

NAIFA ADVOCACY

Multistate Licensing Made Easier?

Proposed legislation will have a positive impact on your business.

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If you currently do business in more than one state, you should be aware of pending legislation that could make your job easier.

Legislation was introduced March 13 that, if enacted, would establish a non-profit organization to oversee licensing standards and interstate reciprocity on a national scale. The legislation, unofficially known as the NARAB II bill, would establish the National Association of Registered Agents & Brokers (NARAB).

If enacted, this legislation would be great news for insurance agents since it would allow them to obtain a license in states other than their home state, simply by paying the required state licensure fees. NAIFA supports this legislation and actively worked to get it introduced.

How would it work?

NAIFA members would be able to join NARAB (membership is optional) and be held to a single licensing and continuing-education (CE) standard for every state in which they choose to do business. The bill does not lower the standards for agents to be licensed; rather, it allows agents oper-

ating in multiple states to comply with a single set of licensing and continuing-education rules. The NARAB standards would be determined by a board made up of insurance commissioners, producers (including a NAIFA representative)

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and insurance carriers. Nonhome states would be prohibited from imposing additional requirements on NARAB members to do business.

More you should know

- NARAB members would be governed by NARAB's CE requirements, and no state other than a producer's home state could impose CE requirements on NARAB members.

- Nonresident states would continue to have the power to discipline NARAB-licensed producers and to suspend their licenses.

- The NARAB board must co-

ordinate disciplinary efforts with the states and establish a consumer-complaints office.

- NARAB II does not create a federal regulator for insurance.


Looking out for you

As with other legislative and regulatory issues, NAIFA works hard to enhance the business climate for all agents and advisors. "NAIFA supports efforts to streamline agent-licensing requirements so that rules do not vary from state to state," says NAIFA CEO John Healy, CAE.

"Therefore, we support NARAB II. It is our position that NARAB II is a positive step toward easing the regulatory burden placed on members doing business in multiple states."

NAIFA recognizes that agent licensing is just one area of regulation that needs to be improved and is open to considering all federal initiatives designed to relieve regulatory burdens for members. To that end, on April 11, the Board of Trustees voted to recommend conditional support for the concept of the Optional Federal Charter, while continuing to support state-based regulation. The recommendation goes to the National Council for a vote during NAIFA's Annual Convention & Career Conference this September. For more information, visit www.naifa.org/advocacy/irr/index.cfm.

Your thoughts?

We'd love to hear your thoughts on NARAB II and the issue of insurance regulatory reform in general. Send your comments to Editor-in-Chief Ayo Mseka at amseka@naifa.org. 

INSURANCE REGULATORY REFORM IS TOP PRIORITY

Regulatory reform is among the most discussed and debated issues in the insurance sector today. To get an in-depth look at the issue of insurance regulatory reform and the three options currently being considered, the Interstate Insurance Compact, NARAB II and Optional Federal Charter, visit the Advocacy page on NAIFA's website, www.naifa.org, and click on Insurance Regulatory Reform. (www.naifa.org/advocacy/irr/index.cfm)