

NAIFA Supports Speed to Market

Now it's your turn to let legislators know that you do, too.

In today's competitive marketplace, it's vital that you offer the newest products aimed at protecting your client's financial security. Imagine a world where the latest quality insurance products are quickly approved and available for sale before your clients buy something else. Better yet, picture a time when you can sell the same policy in all the states you work in, so that all your clients can benefit from a newly developed product. Gone would be the days when new insurance products need to satisfy different rules and be separately approved in every state they're sold in. An era of waiting months or even years for product approval would be over, and consumers nationwide would have access to uniform policies that meet the same high standards.

Making this dream a reality is within our grasp, but NAIFA needs you to make it happen. To get there, we urge NAIFA members to actively support the Interstate Insurance Product Regulation Compact in their states. The National Association of Insurance Commissioners (NAIC) developed the compact with NAIFA's help to improve the speed-to-market conditions for insurance products. To join this effort, contact your insurance commissioner and state legislators and let them know you and NAIFA support the compact as an efficient way to make essential insurance products available to the public sooner.

Speed to market

The compact is NAIC's leading initiative to modernize insurance regulation. It would get insurance products to market faster by allowing insurers to file new products in one place for approval in every state that enacts the compact law. Each state that agrees to the compact would appoint a member to a multistate commission, which would develop standards to review life insurance, annuity, disability income and long-term care insurance (LTCI) products.

These standards would apply uniformly in all compacting states.

The compact would help NAIFA members and their clients. New products satisfying uniform standards would be available faster, and insurance department resources would be freed up to handle other impor-

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tant issues affecting agents and policyholders. The ability to sell products in several states after getting approval from one source is much more efficient than the current system, where separate approval is needed from every state where a policy is sold.

Let your voice be heard

NAIFA's strength as an industry advocate depends on you—NAIFA's grass-roots ground force. For the compact to begin working, it must be enacted as law in 26 states (or states with over 40 percent of the premium for the regulated products). Now is the time for NAIFA members to let their state governments know we support this worthy effort to improve insurance regulation.

At least 17 states have introduced compact legislation: Alabama (H.211), Colorado (S.22), Connecticut (S.415), Hawaii (S.2887), Illinois (H.4468), Indiana (S.407), Iowa (H.2489), Kansas (HCR5027), Kentucky (H.605), Maine (S.630), New Hampshire (S.366), New York (S.6356), Rhode Island (H.7596), Utah (S.162), Virginia (H.1155), Vermont (H.564) and West Virginia (S.431). The compact has already been enacted in Colorado, Utah and West Virginia, and awaits the governor's signature in Maine and Virginia.

If your state is listed, tell your insurance commissioner and state legislators that you support the compact, so the public can get the financial protection it needs without delay. If not, urge your commissioner and lawmakers to introduce compact legislation, so consumers in your area are not denied the latest insurance products.

Adopt the compact "as is"

NAIFA is a staunch supporter of the interstate compact NAIC adopted. NAIC's model reflects nationwide input from insurance regulators and legislators, state legislatures, attorneys general, and consumer and industry groups (including NAIFA). After substantial effort, NAIC crafted a legally sound and politically acceptable document.

It's critical that states enact NAIC's model compact without changes. A compact is a contract among states, and won't work if states adopt different versions of the law. To achieve the uniformity needed to make the compact a success, states must adopt the compact "as is."

NAIC's model permits states to adopt the compact without LTCI, but strongly encourages its inclusion. NAIFA agrees that states should include LTCI in the compact. The LTCI market, which is growing rapidly but inconsistently throughout the country, would benefit from greater uniformity in the product-review process. Nevertheless, NAIFA supports the compact even if it is introduced in a state without LTCI, because the compact would still improve the other product categories.

NAIFA's policy on insurance regulatory reform commits your association to helping improve insurance regulation. The compact is a crucial part of this effort. NAIFA spoke for agents throughout the compact's development, in written comments and in testimony at public hearings. Now it's your turn. NAIFA hopes that many states will adopt the compact soon so that speed-to-market conditions can improve across the country. With your help, this regulatory dream can become a reality. **AI**