

***DRAFT TIMELINE FOR RECIPROCITY CERTIFICATION BASED ON
2009 RECIPROCITY REPORT
June 2009 Draft for Working Group Consideration***

Objective: The NARAB (EX) Working Group was reconstituted in March 2008 to make recommendations on possible revisions or additions to the 2002 NARAB Reciprocity Standard. The Working Group has adopted recommendations that certain issues violate the Gramm-Leach-Bliley Act (GLBA) reciprocity requirements and is expected to adopt an updated reciprocity framework report during the 2009 Summer National Meeting, which would be formally considered by the Joint Executive/Plenary at the Fall National Meeting. Below are proposed steps with suggested timelines for the Working Group to undertake a reciprocity certification process based on its 2009 report.

Recommendations: The NAIC Legal Division recommends that the NARAB (EX) Working Group also recommend to the Joint Executive/Plenary that it adopt an effective date for when the 2009 report will be effective for purposes of a state having to satisfy these additional requirements. It is also recommended that the Working Group, as well as the Executive Committee, reserve the right to modify these steps and timelines for a requirement(s) that may necessitate a legislative change in several states such that consideration is given to accommodating states' legislative cycles.

Suggested Steps and Timeline:

First, the NARAB Working Group will provide notice to all Commissioners of its GLBA Reciprocity Recommendations within ten (10) days after the adoption of all its recommendations.

Second, the Joint Executive/Plenary will consider for adoption the NARAB Working Group GLBA Reciprocity Recommendations. These recommendations are expected to be considered for adoption at the Fall National Meeting. The NARAB Working Group may propose an effective date for compliance with the recommendations.

Third, the NARAB Working Group will adopt a new Reciprocity Checklist for purposes of certification by states that their respective laws and regulations meet the updated reciprocity requirements. The Working Group may be in position to do so at the Fall National Meeting.

Fourth, the new Reciprocity Checklist will be distributed to all states by October 15, 2009 and states will be asked to submit completed checklists to the NAIC Legal Division on or before July 1, 2010, or such other date as specified by the Executive/Plenary, for purposes of certifying its laws, regulations and practices, either effective or enacted as of July 1, 2010, satisfy the reciprocity framework within the 2009 report. States may amend their checklists after July 1, 2010 to reflect any legislative or regulatory changes, if necessary. States may be granted a one-year extension until July 1, 2011 if legislative action is required and its legislature does not meet in 2010.

Fifth, as received, each state's reciprocity checklist will be posted to the NAIC Web site to provide interested parties with a 30-day period to provide written comments.

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Sixth, the NAIC Legal Division will review each state's Reciprocity Checklist, Addenda, and comments as well as recently-passed legislation as part of its review and will correspond with states to clarify any questions arising from review of the materials.

Seventh, the NAIC Legal Division will provide to the NAIC Executive Committee a Memorandum in similar form to the June 10, 2002 memorandum to the 2002 NARAB (EX) Working Group on the Certification of States as Complying with Requirements of Producer Licensing Reciprocity.

Eighth, the NAIC Executive Committee, or its designated working group, will issue a Report on the Certification of States for Producer Licensing Reciprocity based on the 2009 NARAB Working Group reciprocity report with the goal of such report being adopted by the August 2010 National Meeting.