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The Honorable Roger A. Seigny
Commissioner, Insurance
State of New Hampshire Department of Insurance
21 South Fruit Street
Suite 14
Concord, NH 03301

Re: NAIC Assessment Report Findings Regarding Business Entity Licensing

Dear Commissioner Seigny:

Thank you for the continued focus of the NAIC on producer licensing uniformity. Business entity licensing is an area that, along with many others, will benefit from a more uniform, streamlined process. The specific options for streamlining and standardizing business entity licensing set forth in the NARAB (EX) Working Group document distributed for comment on June 30th are all meritorious in our view. The option of simply eliminating business entity licensing, or replacing the current system with a simple registration process (the final two options) probably makes the most sense.

One aspect that does not have a reform option specifically associated with it is appointments. ACLI is very interested in a comprehensive overhaul of the producer appointments process. While most of this involves individual producers, many states require the appointment of business entities, as is noted in the NAIC Assessment Report. We do not believe there is any consumer benefit associated with business entity appointments, and therefore strongly urge the repeal of such requirements entirely. In a similar vein, several states require individual producers to be affiliated with a specific office. This requirement also has no consumer benefit that we are able to discern, and should be eliminated.

If elimination is not feasible at this time, we ask that efforts be made to streamline the business entity appointment process. For example, renewals of appointments could be eliminated. Also, fees for termination serve no purpose other than revenue generation. Another reform would be to treat a single appointment as sufficient for all lines of business. Finally, a single appointment could serve across multiple jurisdictions, particularly if greater use is made of the National Insurance Producer Registry. Again, complete elimination of business entity appointments would be the best solution in our view.

We look forward to our continuing work with the NARAB (EX) Working Group and the NAIC/Industry Producer Licensing Coalition in building a better, uniform and efficient producer licensing process.

Sincerely,

David Leifer

cc: Karen Schutter, NAIC