

## COMMENTS SUBMITTED BY THE ALASKA DIVISION OF INSURANCE

Thank you for the opportunity to provide comments specific to license requirements for Business Entity Licensing.

### **Business Entity Licensing**

Alaska continues to support, and recommend that the membership continue to require business entity licensure since it provides the only tracking mechanism for insurance purposes that would permit continued enforcement and regulatory oversight for entities marketing insurance products to consumers of our state. Without a Business Entity license, it would be impossible to provide assurances to consumers that the entity is legitimate as there are no insurance regulatory or oversight requirements for these agencies. Additionally, Business Entities may process premium or claim payments and, without the proper licensure and oversight, regulatory actions would become more difficult. The removal of the Business Entity license would hinder an Insurance Commissioner's ability to address consumer complaints to make consumers whole when they have been harmed.

Prior audits of producers indicate that individuals who represent an entity typically operate under the fiduciary responsibilities and contracts of the entity. Removal of the Business Entity license would necessitate separate accounting and contractual records.

### **Duplicative Filing Requirements**

Streamlining and simplifying the license requirements for Business Entity licensing is essential. Statutory requirements under the purview of other state or governmental agencies laws, with confirmation filed with the Insurance Commissioner as part of the application requirements must be weighed with a state's desire to separately review or approve this supplemental information. Additionally, separate license requirements for a branch location of a licensed business entity seems over-reaching and unnecessary. Practically speaking, elimination of license or filing requirements for branch locations, name approval and registration processes would be positive steps forward to address redundant, duplicative filings while maintaining the integrity of the business entity license.

**Designated Responsible Producer ("DRP")** – consistent with the PLMA, Alaska supports the license requirement for the DRP and agrees that the DRP does not need to be licensed for the same lines of authority as the business entity.

**Affiliations** – We currently require any individual associated with the firm to obtain a license reflecting this affiliation. This approach of tying the individual to the firm simplifies the license process in as much as separate appointments, contracts, and fiduciary responsibilities are captured under the purview of the entity's contractual authority. We recognize this approach is unique and brings additional challenges when implementing license processes in the electronic environment, however, NIPR staff have been responsive and able to make the necessary accommodations to allow our state to participate with the various electronic initiatives.

**Business Entity Renewals** - We currently have a biennial license cycle for Business Entities, expiring two years from original date of issuance. We are currently compliant with the uniformity standard and would be opposed to changing this standard to a specific date. Various changes would be required for laws and processes to incorporate this change.