

The Council of Insurance Agents & Brokers has two simple comments with respect to entity licensure:

1. For major lines, licensure of producer entities is unnecessary and should be done away with. Every individual producer who sells/solicits/negotiates major lines of coverage are required to be licensed. Individual licensure provides regulators with the information they need to ensure that the public is protected, making entity licensure redundant. To the extent entity licensure is repealed, we note that there are related issues that will have to be addressed/analyzed - notably commission sharing rules, which remain unclear in many states.

2. To the extent entity licensure is not repealed, the NAIC and the states should do a comprehensive review - following on the audit report issued last February- to determine where the states differ in their entity licensure requirements. The PLMA should be amended to provide for uniform entity licensure processes in every state. IN connection with this issue, The Council is currently the entity licensure laws and rules in every states. We will provide you with our findings as soon as our research is complete. I apologize that I don't have the information for you at this time.

Thank you,  
John P. Fielding  
Steptoe & Johnson  
1330 Connecticut Avenue, NW  
Washington, DC 2036  
jpfielding@steptoe.com  
202-429-6296