**NATIONAL CONFERENCE OF INSURANCE LEGISLATORS STATE-FEDERAL RELATIONS COMMITTEE**

**PROPOSED RESOLUTION ON THE NAIC PRODUCER LICENSING MODEL ACT**

Adopted by the NCOIL State-Federal Relations Committee and Executive Committee on July 7, 2000.

WHEREAS, on November 12, 1999, President Clinton signed the Gramm-Leach-Bliley Act (GLBA) into law; and

WHEREAS, the GLBA authorizes the creation of a National Association of Registered Agents and Brokers (NARAB) if within three years of the date (November 12, 2002) a majority of states have not enacted uniform laws and regulations governing the licensure of producers, or if a majority of states have not enacted reciprocal laws and regulations governing the licensure of non-resident producers; and

WHEREAS, NARAB would be a national licensing authority that would draw on existing state laws to devise uniform licensing requirements and would serve as the mechanism through which agents and brokers could obtain licenses for any state they would like to do business in; and

WHEREAS, NARAB would preempt state laws in the area of agent and producer licensing; and

WHEREAS, in response to the NARAB provision, the National Association of Insurance Commissioners (NAIC) adopted a Producer Licensing Model Act on January 27, 2000; and

WHEREAS, the NAIC Producer Licensing Model Act would create a system of reciprocity for agent and producer licensing and encourage the establishment of uniform standards in key areas of producer licensing; and

WHEREAS, the National Conference of Insurance Legislators (NCOIL) has followed the financial modernization issue and the NAIC proceedings dealing with producer licensing for many years; and

WHEREAS, NCOIL has received comments on the NAIC Producer Licensing Model Act from the American Insurance Association, the American Council of Life Insurers, the National Association of Insurance and Financial Advisors, the Council of Insurance Agents and Brokers, the National Association of Life Companies, the National Association of Mutual Insurance Companies, the Independent Insurance Agents of America, the Alliance of American Insurers and the National Association of Independent Insurers; and

WHEREAS, the industry comments, while acknowledging imperfections in the Model Act, demonstrated overall support; and

WHEREAS, New Jersey Deputy Speaker Clare Farragher, NCOIL President, has testified before the Subcommittee on Securities of the Senate Banking, Housing and Urban Affairs Committee on April 12, 2000, in support of continued state regulation of multi-state producer licensing in contrast to the implementation of NARAB; and

WHEREAS, NCOIL is aware that more efficient and uniform producer licensing is needed to maintain a U.S. competitive edge in an increasingly global insurance market and economy; and

WHEREAS, NCOIL has as one of its purposes the reaffirmation of the traditional primacy of States in the regulation of insurance as authorized under the McCarran-Ferguson Act of 1945;

NOW, THEREFORE BE IT RESOLVED, that NCOIL supports the uniformity and reciprocity provisions of the NAIC Producer Licensing Model Act; and

NOW, THEREFORE BE IT FURTHER RESOLVED, that NCOIL will continue to educate state legislators on producer licensing and the ramifications of the NARAB provisions of the GLBA; and

NOW, THEREFORE BE IT FURTHER RESOLVED, that NCOIL will monitor state progress in introducing, debating and enacting uniform or reciprocal licensing legislation; and

NOW, THEREFORE BE IT FURTHER RESOLVED, that we, the undersigned NCOIL state legislators, will make every effort to work with our respective state insurance commissioners on the issue of producer licensing; and

NOW, THEREFORE BE IT FURTHER RESOLVED, that we, the undersigned NCOIL state legislators, plan to sponsor producer licensing legislation, substantially consistent with the uniformity and reciprocity provisions in the NAIC Model Act, on a state-by-state basis within the time-frame set by the GLBA; and

NOW, THEREFORE BE IT FURTHER RESOLVED, that NCOIL will forward a copy of this resolution accompanied by a copy of the NAIC Producer Licensing Model Act to every state governor, state legislative insurance committee member and state majority and minority legislative leader.