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Producer Licensing Uniformity (D) Working Group

Conference Call

# May 2, 2018

The Producer Licensing Uniformity (D) Working Group of the Producer Licensing (D) Task Force met via conference call May 2, 2018. The following Working Group members participated: Karen Vourvopoulos, Vice Chair (OH); Katie Damian (AK); Angela Corbin (AR); Charlene Ferguson (CA); Matthew Guy (FL); Lisa Tordjman (ID); Paige McCully (MI); Kevin Schlautman (NE); Barbara D. Richardson (NV); Rachel Chester (RI); Richard Tozer (VA); Jeff Baughman (WA); and Melody Esquivel (WI).

1. Reviewed the NAIC Uniform Applications

Ms. Vourvopoulos said during the last call on April 11, the Working Group continued the review of the NAIC Initial Individual Uniform Application. Ms. Vourvopoulos said before moving forward from the last call, she would like to address a comment submitted from Oklahoma concerning Section 16, which asks if the applicant is a citizen of the U.S.   
Ms. Vourvopoulos said Oklahoma is suggesting the language on the check boxes be changed. She said currently the applicant has the ability to choose “yes” or “no.” Below the check boxes, there is a note stating, “If No, and this is an application for Resident License, you must supply proof of eligibility to work in the U.S.” Ms. Vourvopoulos said that Oklahoma is suggesting that the language “and this is an application for Resident Licensing” be removed. The Working Group discussed and agreed that no change would be made to this question.

Ms. Vourvopoulos said Oklahoma’s next comment questions why there are no questions to ask individual licensees or business entities if they have ever had an appointment with an insurance carrier terminated for cause. Ms. Vourvopoulos said Oklahoma stated that a lot of time, a carrier will not enter in a termination for cause to the Producer Licensing Database as “for cause,” but Oklahoma thinks it is important to ask every licensee if this has taken place. Oklahoma suggests that this be added to background question 2 on initial and renewal applications. The Working Group discussed and agreed that this would not be added at this time.

Ms. Vourvopoulos said the next set of comments addresses background question 3. Ms. Vouvopoulos said Idaho suggests removing “by an insurer, insured or producer” and adding the following statement: “Do not include personal bankruptcies, unless they involve funds held on behalf of others.” Ms. Vourvopoulos said Idaho suggests that the language be removed that keeps this reference tied to insurance since any behavior resulting in a civil suit or lien or bankruptcy or judgement is pertinent and should be disclosed. She said it also questions not reporting personal bankruptcy, and that is what this is interpreted as rather than being subject to a bankruptcy proceeding. Ms. Vourvopoulos said the Securities Insurance Licensing Association (SILA) also submitted a suggestion to add the following language: “Do not include personal bankruptcies, unless they involve funds held on behalf of others.” Ms. Vourvopoulos said that SILA states that more clarity is needed around what is expected on the highlighted disclosure requirement. Ms. Vourvopoulos said SILA’s suggestion is to add: “includes, but is not limited to, insured’s premium payments, employee tax withholdings, escrow accounts or any monies held by you in any capacity for third parties.” Ms. Vourvopoulos said Connecticut suggests adding language to background questions asking if an application has reported “a Judgement/Lien on their FINRA Report.” The Working Group discussed all suggestions for background question 3 and agreed to remove “by an insurer, insured or producer” from the first sentence and add the language to the second sentence stating: “which would include, but is not limited to, deposits, insured’s premium payments, employee tax withholdings, escrow accounts or any monies held by you in a capacity for third parties.”

Ms. Vourvopoulos said the next suggestion is from Idaho concerning background question 6. She said Idaho requests removing reference to insurance (only) or adding “any other business dealings, including securities business.” The Working Group discussed and agreed to add “or securities broker” following “insurance agency” and to add “or securities business” following “insurance company.”

Ms. Vourvopoulos said the next comment is from California concerning background question 7, specifically the “If you answer ‘yes’” section. Ms. Vourvopoulos said the suggestion is to: 1) remove the following language from option b: “and in compliance with any”; 2) add a new option stating “are currently in compliance with the repayment agreement?”; and 3) add a footnote stating “(If you answered yes, provide documentation showing proof of current payments or an approved repayment plan from the appropriate state child support agency.)” The Working Group discussed and agreed to change the language for option b and option c, and to add an option d. Ms. Vourvopoulos said the background question would now read: “If you answer ‘yes,’ a) by how many months are you in arrearage? b) are you the subject of a child support related subpoena/warrant? c) are you currently subject to a repayment agreement? and d) are you currently in compliance with the repayment agreement? (If you answered ‘yes,’ provide documentation showing proof of current payments or an approved repayment plan from the appropriate state child support agency.)

# Ms. Vourvopoulos said the Working Group will stop with the revisions process for today’s conference call and will continue discussion on its next conference call, which is scheduled for May 9.

# Having no further business, the Producer Licensing Uniformity (D) Working Group adjourned.

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