



National Association of Registered Agents and Brokers

THE ISSUE: NAIFA members work with individuals and families to address their basic financial needs and prepare for retirement by helping them secure risk-transfer based products such as life insurance, annuities, long-term care insurance, disability income coverage and health insurance. The relationships our members have with their clients are based on a trust developed through years of providing necessary guidance and assistance in preparing for life's inevitable risks of dying too soon, outliving retirement savings, becoming sick or disabled or needing long-term care. Some NAIFA members also assist their clients with their property and casualty insurance needs, such as their homeowners and car insurance. Our members, however, are subject to varying licensing compliance requirements from state-to-state. Those rules can make it unnecessarily burdensome to continue providing services to a client in another state when the client moves. As a result, NAIFA members have had to refer their clients to other agents who lack preexisting relationship and are unfamiliar with their clients' financial needs and history.

In today's increasingly mobile world, it is a disservice to insurance consumers to have a regulatory system in place that makes it difficult for them to retain their trusted agent regardless of where each resides. According to a 2012 poll, 80% of NAIFA members surveyed have lost clients who moved to a state where the NAIFA member was not licensed. 12% of survey respondents have lost over 50 clients due to their clients moving to another state.

BACKGROUND: NAIFA has worked for years with state insurance regulators and legislators to fix the cumbersome state-based system of producer licensing. Despite progress since enactment of the National Association of Registered Agents and Brokers (NARAB) provisions included in the Gramm-Leach-Bliley Act of 1999, the producer licensing system remains duplicative and unnecessarily burdensome.

NARAB is an organization with specific jurisdiction to oversee insurance producer non-resident licensing and continuing education standards on a national level. For NAIFA members, any producer (individual or agency) licensed in their home state can choose to apply to NARAB and submit to a federal criminal background check. Accepted NARAB members must pay a membership fee and all state licensing fees for each state in which they choose to do business. Members will adhere to a single non-resident licensing and continuing education standard for each line of authority. The NARAB Board will determine the licensing standards.

On January 11, 2016, the Office of the President released the names of four nominees for membership on the Board of Directors of NARAB. Among the nominees selected by the President is former NAIFA Board Trustee and current NAIFA member, Tom McLeary. Nominees are now waiting to receive confirmation from the U.S. Senate before taking their seat on the Board.

POSITION: NAIFA actively supported the creation of NARAB and urges the establishment of the NARAB Board to ensure that consumers are protected and have the ability to continue working with agents they trust.

ABOUT NAIFA: Founded in 1890 as The National Association of Life Underwriters (NALU), NAIFA is one of the nation's oldest and largest financial services organizations representing the interests of insurance professionals from every Congressional district in the United States. NAIFA members assist consumers by focusing their practices on one or more of the following: life insurance and annuities, health insurance and employee benefits, multiline, and financial advising and investments. NAIFA's mission is to advocate for a positive legislative and regulatory environment, enhance business and professional skills, and promote the ethical conduct of its members.

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