

11.30.12

REVISIONS AND CLARIFICATIONS TO THE

5. Training Method:

States must accept classroom study verifiable self-study or a combination of both. Online learning may be a combination of verifiable self-study and classroom study. Classroom study may include distance learning, webinars, virtual classes and traditional classroom teaching. States have discretion to limit, but may not prohibit, verifiable self study.

6. Verification of Completion:

Applicant or pre-licensing education provider must submit original certificate of completion or verification of completion to the insurance department or to the testing vendor of the applicant's home state through a hard copy submission or electronic transmission.

7. Waiver/Exemption:

States must allow for waiver or exemption of pre-

11.30.12

Content Outline should be provided to prelicensing education providers at least six weeks in advance of implementation so that training materials can be updated.

Testing should be made available at locations reasonably convenient to residents of all areas of the state, with registration available online or by telephone and the ability for a candidate to schedule testing within 2

A state may, but is not required to fingerprint resident producers not previously fingerprinted at the time of application or when adding additional lines of authority to their license. States shall not fingerprint nonresident applicants.

APPLICATION FOR LICENSURE/LICENSE STRUCTURE STANDARDS

15. Application:

States must use the States must use the current version of the NAIC Uniform Application for initial licensing as set forth in the PLMA. A state which accepts electronic applications shall be considered compliant if it is using the same data fields and questions contained in the most current version of the NAIC Uniform Application.

16. Lines of Authority Issued:

- A. Six major lines of authority consistent with the definitions found in the NAIC's PLMA. A state's definition of a major line of authority should not expand or reduce the products that can be offered under the major lines defined by PLMA. Each major line of authority must be offered independently and cannot be offered as a limited line (such as industrial life or fire or personal lines or auto).

A state may require a life license requirement for a resident producer seeking variable products authority. States that adopt surety as a separate line must designate it as a limited line since surety is typically included within the casualty line of authority.

If an applicant is in good standing in his or her home state for the line(s) of authority requested, the nonresident state shall grant the line(s) of authority without further verification of eligibility for the authority. This standard does not limit the state's ability to deny the license based on integrity/personal qualifications and background check standards

- C. Core limited lines as defined in Standard-33. If a state elects to offer other non-core limited lines, such as legal expense insurance or pet insurance, it shall do so in accordance with Standard 37.

17. License Term:

The term of the license shall be perpetual contingent upon payment of fee and completion of resident CE, as set forth in Subsection 7B of the PLMA.

18. Continuation Process:

Individual licenses will renew/continue on a biennial basis on the licensee's month of birth or date of birth. Business entity licenses will continue on a date certain.

States are compliant when using either date of birth or birth month. Birth month is defined as the last date of birth month. States that need to make changes to become compliant, however, are urged to choose birth month.

States may wish to consider having the year of renewal/continuation based on the year of birth. For example, if the producer was born in an odd-numbered year, the producer

would renew his/her license in odd numbered years. If the producer was born in an even-numbered year, the producer would renew his/her license in even numbered years.

If a state is only collecting a fee for continuation, no application is required; however, if the state is using an application or asking questions as part of the renewal/continuation process, the state must use only the most current version of the NAIC Uniform Application for Producer License Renewal/Continuation. A state shall be considered compliant if the state is using the same data fields contained in the most current version of the NAIC Uniform Application.

19. Enforcement:

Denial/revocation and imposition of civil penalties at minimum as established in Section 12 of the PLMA. The state shall participate in the NAIC attachment warehouse Personal Information Capture System (PICS) alerts or another appropriate mechanism to monitor actions against existing licensees and take necessary action, when warranted based on the information obtained through such notifications.

20. Fee:

.Non-resident licensing fees must not be so high as to be a barrier to entry as set forth in GLBA.

APPOINTMENT PROCESS STANDARDS

21. Process:

If a state requires appointments, it shall follow the appointment and termination process as defined in the Uniform Appointment Process or use the NIPR electronic appointment and termination process. In

11.30.12

24. Term of Compliance:

The biennial CE compliance period shall coincide with the producer's license continuation date.

25. Lines of Authority:

LIMITED LINES UNIFORMITY STANDARDS

33. Definitions of Core Limited Lines:

A state shall have nine or fewer limited lines, which include the core limited lines. A state shall adopt definitions for car rental, credit, crop, and travel that are consistent with the definition of the core limited lines adopted by the NAIC in Appendix A. The state must have Credit as defined in PLMA.

34. Limited Lines Travel Insurance Standard (adopted 8/16/10)

A. Definitions.

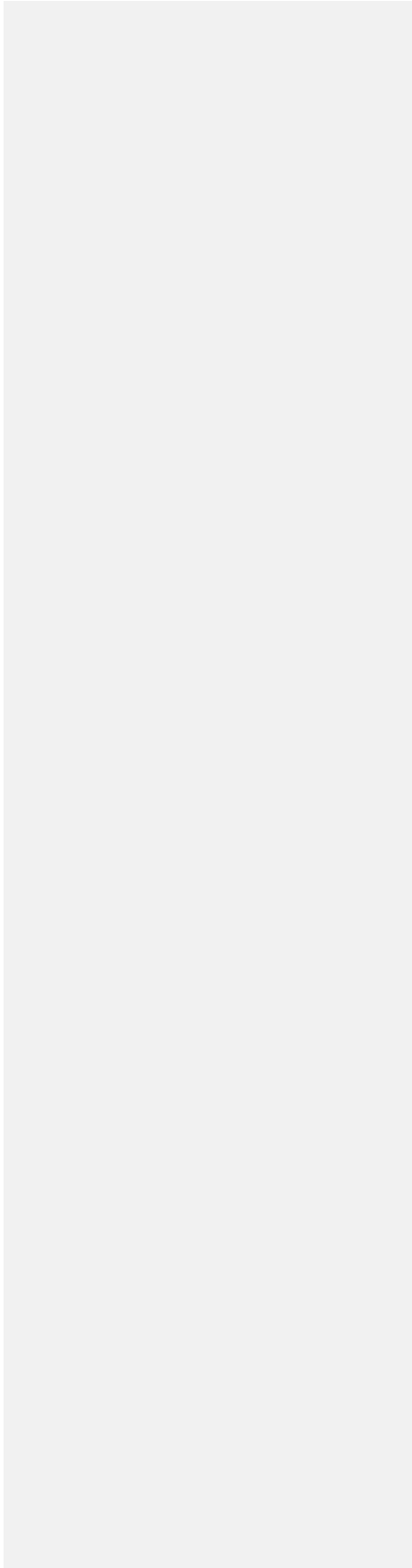
- (1) "Limited Lines Travel Insurance Producer" means an insurer designee, such as a managing general underwriter, managing general agent, or limited lines producer of Travel Insurance.
- (2) "Travel Retailer" means a business entity that offers and disseminates Travel Insurance on behalf and under the direction of a Limited Line Travel Insurance Producer.
- (3) "Travel Insurance" means Insurance coverage for personal risks incident to planned travel, including but not limited to:
 - a. Interruption or cancellation of trip or event;
 - b. Loss of baggage or personal effects;
 - c. Damages to accommodations or rental vehicles;
 - d. Sickness, accident, disability or death occurring dueis;.

11.30.12

- (3) The licensed business entity has designated one of its employees as a licensed individual producer (a “Designated Responsible Producer” or “DRP”) responsible for the business entity’s compliance with the insurance laws, rules and regulations of the state;
- (4) The DRP, president, secretary, treasurer, and any other officer or person who directs or controls the licensed business entity’s insurance operations comply with the fingerprinting requirements applicable to insurance producers in the resident state of the business entity;
- (5) The licensed business entity has paid all applicable insurance producer licensing fees as set-forth in applicable state law; and
- (6) The licensed business entity requires each employee of the Travel Retailer whose duties include offering and disseminating Travel Insurance to receive a program of instruction or training, which may be subject to review by the commissioner.

C. A Travel Retailer, including its employees, whose a Twu17 -1.15 miti ,ram.Pmi; 2(g)hnm.PmiT T 9cer o4(bl)-2(e)4(i)-2(r

11.30.12



(2.) Does not receive a commission or compensation that is dependent on the placement of the insurance product.

D. Individuals who sell, solicit or negotiate insurance or who receive commission or compensation that is dependent on the placement of the insurance product must obtain a limited line insurance producer license. The individual applicant must:

(1) Obtain the Limited Lines Insurance Producer License by submitting the appropriate application form and paying all applicable fees as set forth in applicable state law; and

(2) Receive a program of instruction or training subject to review by the insurance department

E. No preclicensing or testing shall be required for the identified non-core limited lines insurance. All employees offering the products; individuals licensed to sell, solicit or negotiate; insurance producers and all DRP's shall receive a program of instruction.

Definitions for legal expense and pet insurance are provided for guidance and states are encouraged to adopt the same or substantially similar terms.

States may elect to add a

more than one state insured under that contract, provided that that person is otherwise licensed as an insurance producer to sell, solicit or negotiate that insurance in the state where the insured maintains its principal place of business and the contract of insurance insures risks located in that state.

This exemption applies at minimum to admitted business.

COMMISSION SHARING STANDARD

42. Commission Sharing

The state must adopt Section 13D of the Producer Licensing Model Act which states:

An insurer or insurance producer may pay or assign commissions, service fees, brokerages or other valuable consideration to an insurance agency or to persons who do not sell, solicit or negotiate insurance in this state, unless the payment would violate [insert appropriate reference to state law (i.e., citation to anti-rebating statute, if applicable)].

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11.30.12

referral services. Legal expenses insurance does not include a retainer agreement directly between the lawyer and the client, where no third party is at risk.

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