

Please Support H.B. 4203 and S.B. 1755

For years, insurance stakeholders have called on states to adopt uniform and reciprocal adjuster licensing measures. In response to that effort, the National Association of Insurance Commissioners (NAIC) has worked to adopt a simplified uniform adjuster license application, and the NAIC, through its affiliate the National Insurance Producer Registry (NIPR) built an electronic application submission portal that all states could access.

To date 45 states have enrolled in the NIPR electronic licensing process, simplifying the application process for the states themselves, as well as applicants. Furthermore, participation in the NIPR electronic licensing process will not cost Texas any additional costs since all fees are paid by the applicant.

The NIPR is a unique public-private partnership that supports the work of the states and the NAIC in making the producer-licensing process more cost-effective, streamlined and uniform for the benefit of regulators, the insurance industry, and the consumers they protect and serve.

Specifically, the gateway is an electronic communication network that links state insurance regulators with the entities they regulate and is designed to improve the effectiveness and efficiency of the state licensing process among all parties through automation, standardization, and reciprocity.

The key benefits of the NIPR Gateway include reduction in paperwork and data entry; development of national standards regarding electronic transmission of licensing data; and faster turnaround time, including real time in certain states.

Information maintained in the database is updated daily by participating state insurance departments and includes: (1) general demographic information relating to all producers, such as name and address(es); (2) license information, such as state of license, license numbers, authorized lines, and license status; (3) appointment information such as company appointments, effective date, termination date and termination reason; and (4) regulatory actions (if taken).

The NIPR is governed by a 13-member board of directors, including six members representing National Association of Insurance Commission member states, six members representing industry trade associations (three of which are producer trade associations) and NAIC's CEO or COO.

Unfortunately, Texas remains outside the NIPR system for its adjuster licensing, causing applicants to have to use a different application process from almost all the other states for which they wish to apply.

H.B. 4203 and S.B. 1755 allows adjuster applicants to use either the NIPR system for its adjuster licensing **OR** the established Texas Department of Insurance System. This bill would require TDI to join with 45 other states and participate in the NIPR electronic adjuster licensing system and most importantly adopt the uniform application that most states already use.

For more information on CSHB 4203 please contact John Pitts (john@texasstaralliance.com) or Lucinda Saxon (lucinda@texasstaralliance.com).