



“Simplifying Regulation for Agents and Brokers...”

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Contact: Peter Ludgin, (202) 589-1929

Agents for Change Commends Supporters of NARAB II for Recognizing the Need to Enact Licensure Reform

However the Measure Does Not Go Far Enough

Agents for Change is pleased that recently introduced legislation, the National Association of Registered Agents and Brokers Reform Act of 2009 or NARAB II (H.R. 2554), would simplify the producer licensure process. Unfortunately, however, the legislation is a piecemeal approach to a system wide problem.

Peter Ludgin, the Executive Director of Agents for Change, explained, “Supporters of H.R. 2554 are on the right track. Agent licensing is a costly, time consuming, and burdensome morass creating unnecessary hoops that producers are forced to jump through to serve their customers. However, the legislation does nothing to address speed to market of products or free market pricing. If the ultimate goal is to best protect and afford consumers the many choices they deserve in the 21st century, NARAB II falls dreadfully short.”

“Importantly, H.R. 2554 would also be a costly proposition – under this policy proposal producers would have to pay a fee to join the NARAB association and continue to pay resident and non-resident licensure fees throughout the country. Non-resident licensure fees are prohibitively expensive, especially when a producer is serving only one or two clients in a given state.”

Agents for Change continues to support a comprehensive overhaul of insurance regulation, including the creation of National Insurance Commissioner to be housed at an Office of National Insurance. Insurance regulation reform needs to: (1) provide agents and brokers the option to receive one national insurance license (with one fee) to serve their clients no matter where they live or move; (2) improve speed to market of products; (3) enable competition through decreased regulatory barriers; and, (4) implement free market pricing

for property & casualty products. Very simply, consumers and producers are shortchanged without comprehensive reform.

Agents for Change supports the bipartisan National Insurance Consumer Protection Act (H.R. 1880) to accomplish these goals. Markedly, H.R. 1880 would provide comprehensive reform while leaving the existing state system intact for producers who choose to remain licensed at the state level, and for consumers who want to do business with an agent, or company that only operates locally.

Ludgin continued, “Consumers should be able to take advantage of competitive market forces in choosing their insurance. A comprehensive overhaul of insurance regulation will promote competition and create open markets. It will benefit everybody who buys or sells an insurance product. If policy-makers are drawn to NARAB II, I would implore them to look closely at the many advantages inherent in the National Insurance Consumer Protection Act.”

The National Insurance Consumer Protection Act is the right policy prescription for 21st century consumers and producers who continue to be burdened by 19th century insurance regulations.

Agents for Change is a trade association of insurance agents and brokers from across all lines of insurance. Members of Agents for Change offer expert advice to public policy makers as they move forward to modernize insurance regulation to allow producers the option of being regulated at either the federal or the state level. Agents for Change has over 7,000 members nationwide.