



March 15, 2023

The Honorable Joseph R. Biden
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

On behalf of the undersigned representatives of the U.S. insurance industry, we write to encourage the Administration to nominate members of the Board of Directors to establish the National Association of Registered Agents and Brokers Reform Act (the “Act” or “NARAB”).¹ We’re grateful that the White House recently solicited and received recommended commissioners to serve on the NARAB Board from the National Association of Insurance Commissioners, and particularly grateful for the consideration of our recommended industry leaders that we believe are best suited for the requisite positions for establishing the NARAB board. The NARAB nominees are granted a privileged and streamlined Senate confirmation process that we believe makes for a smooth confirmation course, but also understand the process will still be timely. The pressure for relief is mounting in certain sectors in our industry, and we encourage you to stay the course and send the U.S. Senate the NARAB Presidential nominations as soon as possible.

NARAB was enacted in January 2015 to provide a national, standardized process for insurance agents and brokers to obtain eligibility to do business outside of their home states. Under the terms of the legislation, any individual or entity that is licensed in his, hers or its State of domicile and that satisfies the NARAB membership criteria established by the NARAB Board would be eligible for licensure for the same lines of authority in any other State provided that the non-resident state licensure fees are paid through NARAB. The legislation enjoyed strong, bi-partisan support in Congress and remains widely supported today.

The Act requires the establishment of a NARAB Board of Directors - consisting of thirteen members appointed by the President with the advice and consent of the Senate - that is charged with governing and supervising the activities of the organization.² Under the Act, the NARAB Board must be composed of 13 members, 8 of whom are current or former State Insurance Commissioners. The Act requires the President to consider a recommended slate of

¹ The Act is codified at 15 U.S.C. §§ 6751- 6764.

² See 15 U.S.C. § 6754(c)(1).

current commissioners if that slate is submitted by the NAIC within 15 days of receiving that request. The Act also allows the President to nominate former State insurance commissioners to fill any of the 8 commissioner seats if there are not a sufficient number of currently serving commissioners who will agree to serve. Unfortunately, no NARAB Directors have been confirmed in the eight years since the law was passed. Nominees were sent in 2016; however, the Senate was not able to confirm them prior to the end of that Congress.

Once the NARAB Board is in place, it functions as an independent agency and all of its funding is provided through membership dues.³ The President has perpetual Director appointment authority and the NARAB bylaws and membership standards approved by the NARAB Board must be posted on the NARAB website and submitted to the President through the Department of the Treasury (although no approval is required).⁴ The President also may replace the entire Board if the President determines that the Board is acting counter to the public interest or the intent of the Act and/or may remove an individual Board member for malfeasance and the President may suspend the application of any bylaw provision or standard that the President or his designee finds to be counter to the intent of the Act.⁵

We strongly support the implementation of NARAB because it will bring much needed help to streamline licensure processing, reduce administrative redundancies and provide regulatory compliance efficiencies by allowing insurance agents and brokers to conduct business in more than one state through a single application. This simple act will single-handedly reduce compliance costs, promote consumer choice, and foster economic growth, all while continuing to preserve the state-based system of insurance regulation.

We stand committed to working with your administration on the implementation of NARAB to the benefit of all engaged in the insurance space – from the consumers to producers.

Thank you for your attention to this important issue.

Sincerely,

American Property Casualty Insurance Association
Council of Insurance Agents and Brokers
Independent Insurance Agents & Brokers of America
National Association of Insurance and Financial Advisors
Wholesale & Specialty Insurance Association

³ See 15 U.S.C. § 6763.

⁴ See 15 U.S.C. § 6755(a).

⁵ See 15 U.S.C. § 6759.