

June 27, 2024

The Honorable Joseph R. Biden
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Biden:

On behalf of the undersigned representatives of the U.S. insurance industry, we write to encourage the Administration to fulfill the statutory obligations of the *National Association of Registered Agents & Brokers (NARAB) Reform Act* and submit nominations to the U.S. Senate to establish its Board of Directors (Board) without delay.

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. Unfortunately, after nine years the NARAB Board of Directors has not become operational. Under the law, the Executive branch is required to submit nominations to the Senate for advice and consent. While nominations were submitted back in 2016, they were not acted upon by the Senate Banking Committee prior to the conclusion of the Obama Administration. Since then, no new nominations have been submitted to Congress.

The Act requires that the Board consist of thirteen members appointed by the President who are charged with overseeing the activities of the organization. Of the 13 members, 8 of whom are to be current or former State Insurance Commissioners. Notably, nominations to the Board are granted a privileged and streamlined Senate confirmation process. Additionally, as 8 of the nominees are to be current or former State Insurance Commissioners, these nominees will have been vetted in their previous roles.

Action to establish the NARAB board is long overdue. As the Administration has acknowledged in its Executive Order on Promoting Competition in the American Economy, “*Fewer than 5% of occupations that require licensing in at least one state are treated consistently across all 50 states. That locks some people out of jobs, and it makes it harder for people to move between states—particularly burdening military spouses, 34% of whom work in a field requiring a license and are subject to military-directed moves every few years.*”¹ Submitting its NARAB nominations to the Senate can go a long way in advancing this underlying goal of the Administration in the financial services industry.

The implementation of NARAB 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. All that is needed to realize these benefits is for the Administration to submit its nominees to the U.S. Senate so that it can become operational.

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.

American Property Casualty Insurance Association
Council of Insurance Agents and Brokers
Independent Insurance Agents and Brokers of America
Insured Retirement Institute
National Association of Insurance and Financial Advisors
National Association of Mutual Insurance Companies
Wholesale and Specialty Insurance Association

¹ <https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/09/fact-sheet-executive-order-on-promoting-competition-in-the-american-economy/>