



CURRENCY

Committee on Financial Services

Michael G. Oxley, Chairman

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Baker Subcommittee to Examine Efforts to Streamline Insurance Agent Licensing

The House Financial Services Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, chaired by Rep. Richard H. Baker (LA), will hold a hearing - at 2 p.m. Wednesday, May 16 in room 2128 Rayburn House Office Building - to assess the progress of insurance agent licensing reforms established in the Gramm-Leach-Bliley (GLB) financial services modernization act.

A provision of GLB requires that a majority of U.S. states streamline agent licensing standards by November 2002. States are required to implement either uniform licensing or agree to reciprocity standards which require them to recognize the license of an agent or broker licensed in another state.

If the majority requirement is not met, GLB mandates the establishment of NARAB - the National Association of Registered Agents and Brokers - a private, non-profit organization managed by state insurance commissioners with the authority to set and preempt certain state insurance standards for agency licensing.

"Ultimately it's the consumer who bears the burden of disharmonized regulation," Baker said. "An overlayering of rules always translates into greater costs to consumers and disincentives for competitive pricing consistent with our free-market principles. I'm pleased by the efforts being made toward reciprocity in standards for insurance agent licensing. But I'm also interested in gauging progress toward a uniformity essential for helping get consumers the best product with the best service at the best price."

The subcommittee will review the status of efforts to implement reciprocity standards as well as focus on the long-term goal of uniformity in agency licensing.

"Meeting the Gramm-Leach-Bliley requirements to simplify standards across state borders is the first step," said Committee Chairman Michael G. Oxley. "I look forward to

seeing what can be done to keep the process of streamlining the industry moving forward.”

Scheduled to testify are:

Panel I

- Rep. Sue W. Kelly, Chair, House Financial Services Oversight and Investigations Subcommittee

Panel II

- William J. Kirven III, Colorado Commissioner of Insurance, Co-Chair of the National Association of Insurance Commissioners NARAB Working Group, on behalf of the NAIC
- Albert R. Counselman, Former Chairman, Council of Insurance Agents and Brokers
- Ronald A. Smith, State Government Affairs Chairman of the Independent Insurance Agents of America, on behalf of the IIAA, National Association of Insurance and Financial Advisors and the National Association of Professional Insurance Agents

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