

February 9, 2007

Sent via Email

Ms. Betty Patterson, Chair
National Treatment and Coordination (E) Working Group
c/o Ms. Jane Conard
National Association of Insurance Commissioners
jconard@naic.org

Re: Prioritization of the Future Work Items

Dear Ms. Patterson:

The American Insurance Association, the Property Casualty Insurers Association of America, the American Council of Life Insurers, and the National Association of Mutual Insurance Companies write in response to the request for comments on the prioritization of the “future work” items identified during the completion of the Company Licensing Best Practices Handbook project. We appreciate the working group’s interest in establishing priorities and look forward to working with you in addressing these issues. Below you will find an outline of the items we find to be of the highest priority as identified by our respective members. We identify the issue by reference to the pages of the “Company Licensing Best Practices Handbook – Future Work” handout and the “Best Practices Handbook.”

Biographical Affidavit: Limitations and Protections

(Handout page 3; Handbook pages 21 et al.)

An issue has been raised regarding the scope or numbers of individuals for whom a biographical affidavit needs to be completed under the existing UCAA. The Handbook refers to “persons ultimately responsible for the operations of insurers” and provides as examples the CEO, COO, CFO, Secretary, Chief Marketing Officer and Treasurer. We believe there should be a small, definite list of individuals for whom a biographical affidavit must be submitted.

This approach compliments our persistent desire to protect the confidentiality of personal information. Our members continue to express concern over the ability of all state regulators to maintain as confidential the personal information filed as part of the biographical affidavit.

Improved Communication Between Domiciliary State and Expansion States

(Handout pages 1 and 3; Handbook pages 11 and 25)

We would agree with the observation that there should be more discussion with the domiciliary state regarding its review of an expansion application and assessment of a company's status. Further, we believe that the communication and thoughtful reliance on the domiciliary state's review/assessment of a company encourages efficiency in the licensing process. Where a company is licensed in its domiciliary state for a line of business admission in another state for that line should be reciprocated.

Uniformity in Change of Address Process

(Handout page 4; Handbook pages 38-29)

We recognize that the Issues Subgroup has done some work on the change of address form, but we are simply reinforcing that a simple address change should not be unnecessarily complicated and time consuming.

Cross-Reference the UCAA Manual and Best Practices Handbook

(Handout page 3; Handbook page 30)

The suggestion that the Best Practices Handbook should be cross-referenced to the UCAA Manual would help facilitate a greater understanding of what is required for all involved and would keep the Handbook current with any changes in forms or process.

Credentials of Third-Party Verifiers

(Handout page 2; Handbook pages 21 and 29)

Consistent standards/qualifications and a certification process are critical to the establishment of the credentials of third-party verifiers, especially given their handling of personal information. We look forward to discussions regarding consistent adherence to credentialing standards.

Specific Review Criteria Regarding Business Plan and Financial Projections

(Handout page 1; Handbook pages 12-14)

An issue has been raised regarding the review of business plans and financial projections as a part of the analysis of companies. The Handbook sets out a risk-based prioritization system that places companies in categories that will determine the extent of the review of documents submitted by the companies. We would observe that this system does not necessarily include informing the company of its status (Category 1, 2, or 3), giving the company an opportunity to appeal the status assigned or to improve upon the status assigned, nor does it relieve companies of an obligation to submit documents that may not be reviewed. We would like consideration of these issues.

Again, we look forward to working with National Treatment. Thank you very much for your time and consideration.

Sincerely,

Pamela Young
Assistant General Counsel

Donald Cleasby
Vice President, Regional Manager and Counsel

American Insurance Association

Property Casualty Insurers Association of
America

Kelly Ireland
Counsel, Insurance Regulation
American Council of Life Insurers

Marsha Harrison
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