

What is NIPR?

Technology Preserving State-Based Regulation

Presentation to the Counsel of Insurance Agents and Brokers
Karen Stakem Hornig, CEO NIPR
November 6, 2024



NIPR Mission

NIPR is a unique public-private partnership that supports the
work
of the states and the NAIC in making the
producer-licensing process more
cost-effective, streamlined and uniform
for the benefit of
**regulators, the insurance industry
and the consumers**
they protect and serve.

Trade Associations Serve in Rotation

ACLI - American Council of Life Insurers*

AHIP - America's Health Insurance Plans

APCIA - American Property/Casualty Insurers Association of America

CIAB - Council of Insurance Agents & Brokers

IIABA - Independent Insurance Agents & Brokers of America (Big I)

NABIP - National Association of Benefit & Insurance Professionals

NAIFA - National Association of Insurance & Financial Advisors

NALC - National Alliance of Life Companies

NAMIC - National Association of Mutual Insurance Companies

PIA - National Association of Professional Insurance Agents

*Charter Member

NIPR - National “Utility” for Producer Licensing



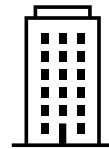
- Producer Database
- Credentialing (licenses & appointments)
- State Fee Collection
- Customer Service Center
- Demographic Change Processing
- Information Resource

NIPR By the Numbers - 2023



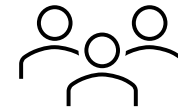
8.6+M

Records in PDB



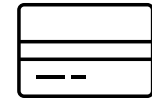
304+K

Producer
Calls, Chats &
Emails



47M

Transactions
Processed



\$1.29B

In State Fees
moved by NIPR



A Federal Threat and the Move Toward Uniformity & Reciprocity

Changing Insurance Industry





NAIC Winter 1987

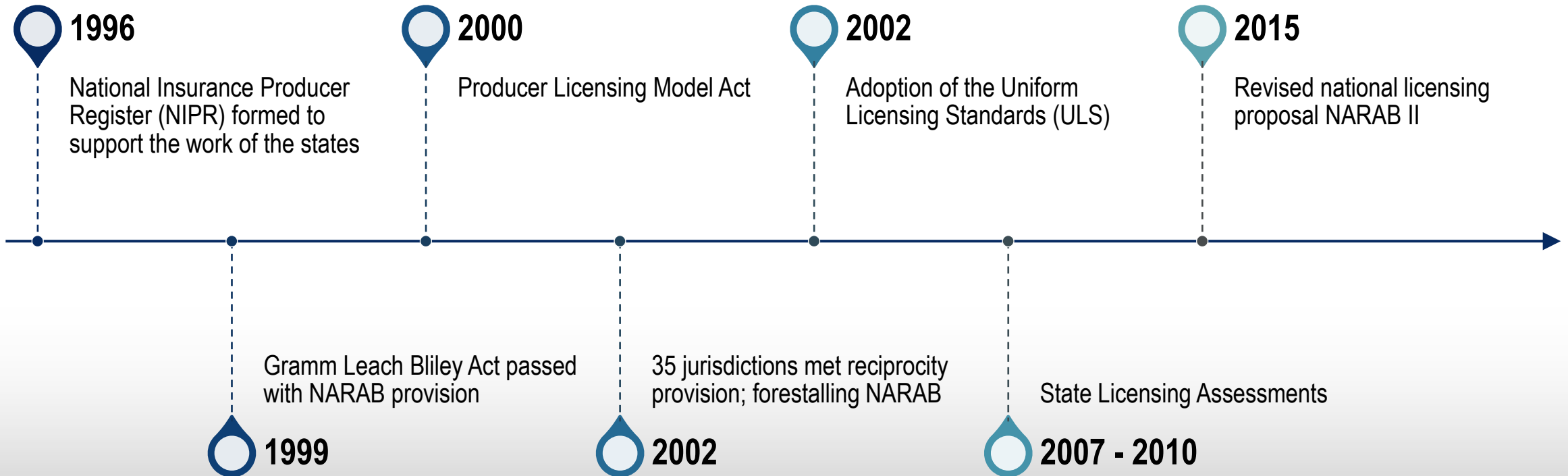
Report of the Multistate Licensing System Subgroup

“...there was still support for the multistate licensing concept, but perhaps not in the implementation of such a system.”

Federal Hammer - Graham Leach Bliley 1999



Key Dates – Modern History of Producer Licensing



NAIC Producer Licensing Model Act (PLMA): Foundational Definitions



Insurance
Producer



Sell, Solicit, and
Negotiate



Home State



Uniform Business
Entity Application



Uniform
Application



Limited Line
License



Uniformity Backsliding and Non-Resident Producers

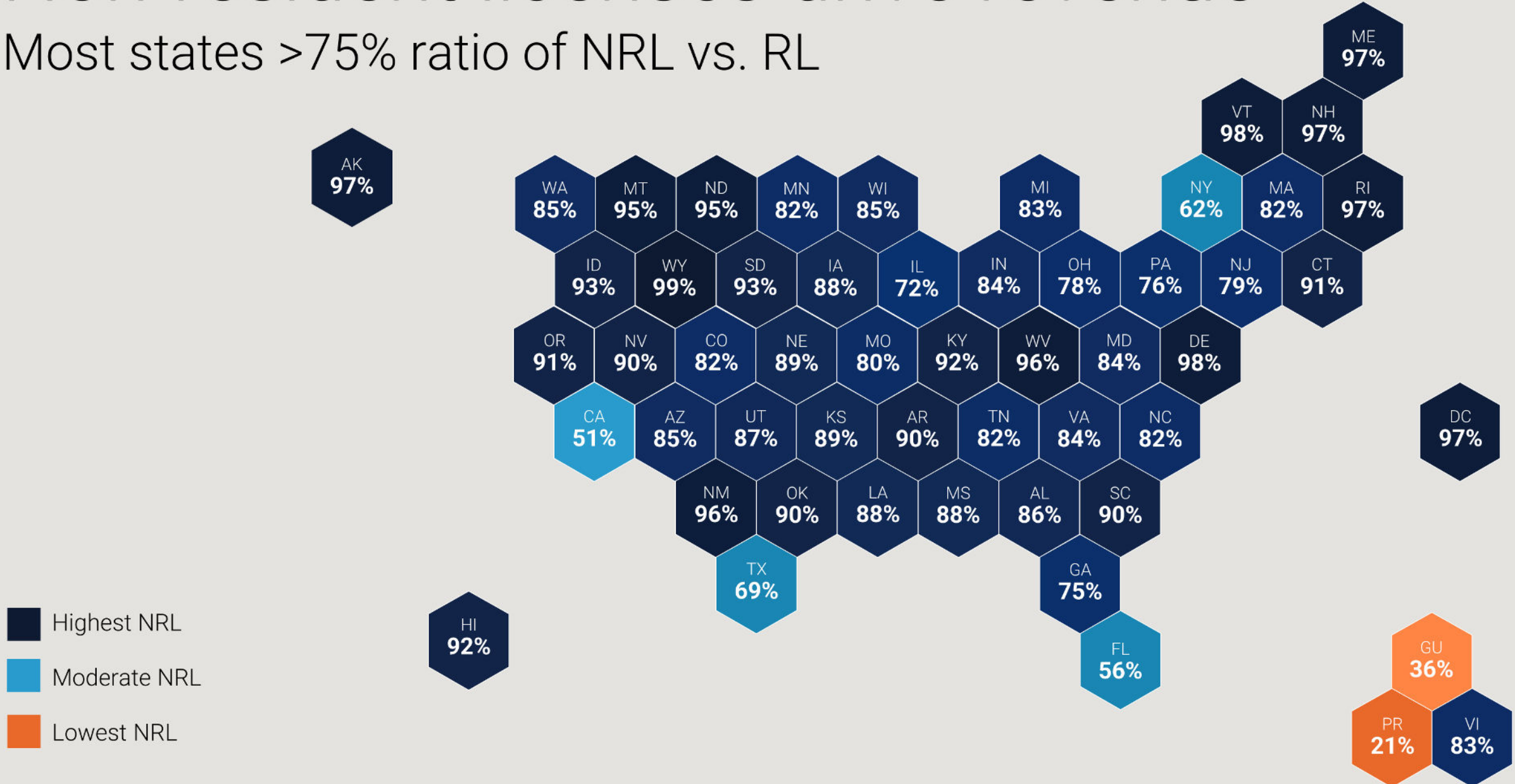


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Producers holding **Non-Resident Licensees**, on average, hold licenses in 10 different states.

Non-resident licenses drive revenue

Most states >75% ratio of NRL vs. RL



- Highest NRL
- Moderate NRL
- Lowest NRL



Regulatory Hurdles for Producers Result in Lower NRL Numbers



Non-Uniform Naming Conventions and Fee Structures

- Only 65% of States use the same names for license classes and lines of authority
- Only 61% of States offer fees by license type
- Only 50% States use the same names for limited lines

Business Rules and State Specific Questions

- Business Rules Drive Software Development
 - 30+K Business Rules
 - Average of 569 per State
- Growing Number of State Specific Questions
 - Citizenship
 - Bonds
 - Demographics

Along the customer journey, producers in good standing are dropping off

What do I apply
for?

Application
inconsistencies

Unexpected
Fees

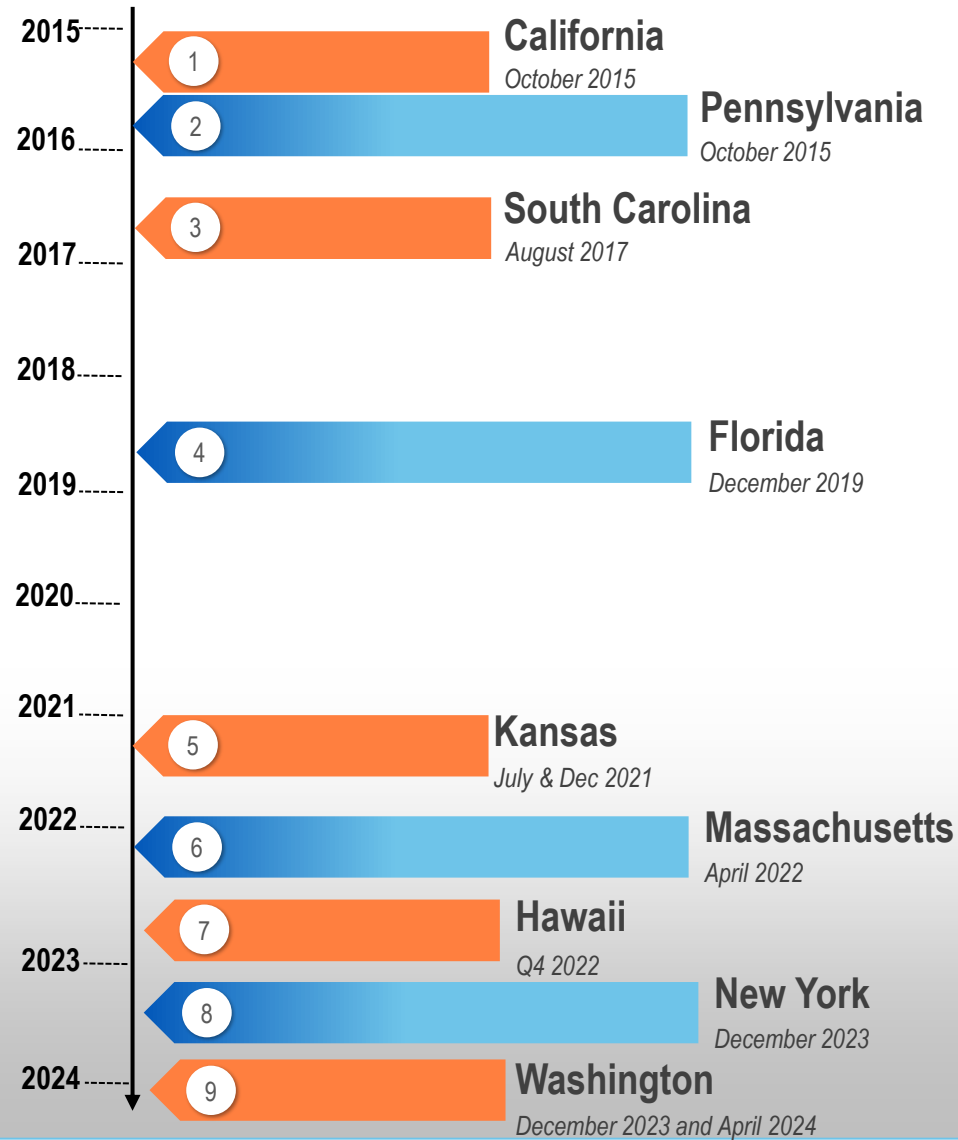
Renewal Period





NIPR's Continuing Work Toward Uniformity & Reciprocity

NIPR Nine 2015 - 2024



Continue Driving Uniformity

 Uniform Applications

 Uniform Renewal Window

 Uniform Naming Conventions

 Prevent Backsliding

NIPR's Education & Training

Zone Training & Customized State Visits

Annual Insurance Summit

Low Cost Compliance Solutions for Industry