

INSURANCE

DEPARTMENT OF BANKING AND INSURANCE

OFFICE OF CONSUMER PROTECTION SERVICES

Producer Licensing

Participation in National Insurance Producer Database

Adopted New Rule: N.J.A.C. 11:17-1.3

Proposed: October 17, 2011 at 43 N.J.R. 2643(a).

Adopted: January 4, 2012 by Thomas B. Considine, Commissioner, Department of Banking and Insurance.

Filed: January 5, 2012 as R. 2012 d. 029, **without change**.

Authority: N.J.S.A. 17:1-8.1, 17:1-15e, and 17:22A-48.

Effective Date: February 6, 2012.

Expiration Date: April 8, 2016.

Summary of Public Comment and Agency Response:

No comments were received.

Federal Standards Analysis

The Federal Nonadmitted and Reinsurance Reform Act of 2010 (NRRRA), P.L. 111-203, requires that by July 2012, states provide by law or rule for their participation in the national insurance producer database of the National Association of Insurance Commissioners (NAIC), or an equivalent national uniform database, with respect to licensed surplus lines producers. The Department currently participates in the National Insurance Producer Registry (NIPR) with respect to all licensed producers. The adopted rule codifies this participation and thus

implements the intent of Congress as expressed in the NRRA with respect to surplus lines insurance producers. The adopted rule applies to all insurance producers to reflect existing State law and Department practice, and thus could be construed as exceeding the Federal standard established by the NRRA. The Department's policy reasons for exceeding the Federal requirement are to codify its current practice and the other factors set forth in the proposal Summary. A cost/benefit analysis of the proposed new rule is included in Economic Impact in the proposal. The use of the NIPR by non-surplus lines producers is not only achievable, but has been accomplished for several years by all types of licensed producers under current technology.

Full text of the adoption follows:

TEXT