

February 17, 2022

Mr. Steve Richetti

Counselor to The President

1600 Pennsylvania Avenue, NW

Washington, DC 20500

Dear Mr. Richetti:

On behalf of the undersigned representatives of the U.S. insurance industry, we write to encourage the Administration to nominate members of the Board of Directors to establish the National Association of Registered Agents and Brokers Reform Act (the “Act” or “NARAB”).[[1]](#footnote-1) We urge you to initiate this process by asking the National Association of Insurance Commissioners (“NAIC”) to submit a slate of Commissioners to serve on the NARAB Board as the Act requires and to simultaneously poll current State Insurance Commissioners to determine whether they are interested in serving. We also echo the sentiments of the letter that House Committee Chairman David Scott recently wrote to you (attached) about the need for the Administration to make nominations this year. The nominees are granted by law a privileged and streamlined Senate confirmation process that we believe makes for a smooth course.

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. Under the terms of the legislation, any individual or entity that is licensed in his, hers or its State of domicile and that satisfies the NARAB membership criteria established by the NARAB Board would be eligible for licensure for the same lines of authority in any other State provided that the non-resident state licensure fees are paid through NARAB. The legislation enjoyed strong, bi-partisan support in Congress and remains widely supported today.

The Act requires the establishment of a NARAB Board of Directors - consisting of thirteen members appointed by the President with the advice and consent of the Senate - that is charged with governing and supervising the activities of the organization.[[2]](#footnote-2) Under the Act, the NARAB Board must be composed of 13 members, 8 of whom are current or former State Insurance Commissioners. The Act requires the President to consider a recommended slate of current commissioners if that slate is submitted by the NAIC within 15 days of receiving that request. The Act also allows the President to nominate former State insurance commissioners to fill any of the 8 commissioner seats if there are not a sufficient number of currently serving commissioners who will agree to serve.

Unfortunately, no NARAB Directors have been confirmed in the six years since the law establishing it was passed. Nominees were sent in 2016; however, the Senate was not able to confirm them prior to the end of that Congress. We have included as an appendix to this letter a list of individuals who were previously nominated and who have indicated to us a continued willingness to serve.

Once the NARAB Board is in place, it functions as an independent agency and all of its funding is provided through membership dues.[[3]](#footnote-3) The President has perpetual Director appointment authority and the NARAB bylaws and membership standards approved by the NARAB Board must be posted on the NARAB website and submitted to the President through the Department of the Treasury (although no approval is required).[[4]](#footnote-4) The President also may replace the entire Board if the President determines that the Board is acting counter to the public interest or the intent of the Act and/or may remove an individual Board member for malfeasance and the President may suspend the application of any bylaw provision or standard that the President or his designee finds to be counter to the intent of the Act.[[5]](#footnote-5)

We strongly support the implementation of NARAB because it 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.

In its *2014 Annual Report on the Insurance Industry*, FIO recommended the passage and enactment of NARAB.[[6]](#footnote-6) Similarly, the NAIC has long-supported efforts to streamline the producer-licensing process, has called NARAB a ‘significant step’ toward that goal, and stands ready to respond to an Administration request for submission of the slate of proposed commissioner Board members.

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.

Sincerely,

American Property Casualty Insurance Association

Council of Insurance Agents and Brokers

Independent Insurance Agents & Brokers of America

National Association of Insurance and Financial Advisors

Wholesale & Specialty Insurance Association

CC: Honorable Janet Yellen, Secretary of the Treasury

ATTACHMENT: Previously Nominated Board Members

Chairman Scott Letter to Steve Richetti

Previously Nominated Board Members

The NARAB Board of Directors shall be made up of 13 members, five of which will represent the industry (Three Property/Casualty and Two Life/Health) and eight of which will represent the Insurance Commissioners (four Democrat and four Republican).

The following individuals were nominated by the Obama Administration to serve on the NARAB Board of Directors. The five individuals previously nominated to represent the industry all remain willing to serve if nominated and appointed while the two remaining active Insurance Commissioners also remain willing to serve if nominated.

**2017 NARAB Board of Director Nominees (10 of 13):**

* **Susan Louise Castaneda (XX industry appointment)**

Assistant VP and Compliance Officer for The Hartford (continued interest in appointment)

* **Ray Farmer (Republican appointment)**

South Carolina Insurance Commissioner (continued interest in appointment)

* **Lori Wing-Heier (Republican appointment)**

Alaska Insurance Commissioner (continued interest in appointment)

* **John Huff (Democrat appointment)**

Nominated in former capacity as Missouri Insurance Commissioner (not eligible to serve under previous nomination criteria)

* **Thomas McLeary (XX industry appointment)**

Founder and president of Endow Insurance Brokerage (continued interest in appointment)

* **Angela Ripley, CIC, CRM, AIS, LUTCF (XX industry appointment)**

President of VW Brown Insurance Service of Columbia (continued interest in appointment)

* **Michael Rothman (Democrat appointment)**

Nominated in former capacity as Commissioner of the Minnesota Department of Commerce (not eligible to serve under previous nomination criteria)

* **Marguerite Salazar (Democrat appointment)**

Nominated in former capacity as Commissioner of Colorado Insurance Division (not eligible to serve under previous nomination criteria)

* **Heather A. Steinmiller (XX industry appointment)**

Marlton (headquarters), Senior Vice President and General Counsel for Conner Strong & Buckelew (continued interest in appointment)

* **Robert Suglia (XX industry appointment)**

Former Senior VP and general counsel of Amica Mutual Insurance Company (continued interest in appointment)

1. The Act is codifed at 15 U.S.C. §§ 6751- 6764. [↑](#footnote-ref-1)
2. *See* 15 U.S.C. § 6754(c)(1). [↑](#footnote-ref-2)
3. *See* 15 U.S.C. § 6763. [↑](#footnote-ref-3)
4. *See* 15 U.S.C. § 6755(a). [↑](#footnote-ref-4)
5. *See* 15 U.S.C. § 6759. [↑](#footnote-ref-5)
6. United States Treasury, Federal Insurance Office. “Annual Report on the Insurance Industry” September 2014. https://www.treasury.gov/initiatives/fio/reports-and-notices/Documents/2014\_Annual\_Report.pdf [↑](#footnote-ref-6)