



National Association of Insurance
and Financial Advisors

November 8, 2019

Director Larry Deiter
Chairman, Producer Licensing (D) Task Force
National Association of Insurance Commissioners
1100 Walnut Street
Suite 1500
Kansas City, MO 64106-2197

Re: NAIC-FINRA Data Sharing

Dear Director Deiter:

The National Association of Insurance and Financial Advisors (NAIFA) writes regarding the forthcoming NAIC and FINRA collaboration to share information on the licensing status and other data on registered representatives and insurance producers. NAIFA commends the NAIC and FINRA for working together on this effort, and we generally support efforts by securities and insurance regulators to improve communications between their respective departments.

Founded in 1890 as The National Association of Life Underwriters (NALU), NAIFA is the oldest, largest and most prestigious association representing the interests of insurance professionals from every Congressional district in the United States. Our mission – to advocate for a positive legislative and regulatory environment, enhance business and professional skills, and promote the ethical conduct of its members – is the reason NAIFA has consistently and resoundingly stood up for agents and called upon members to grow their knowledge while following the highest ethical standards in the industry.

During the NAIC Producer Licensing (D) Task Force conference call on October 25, 2019, NAIC staff indicated that the NAIC and FINRA will soon finalize a Memorandum of Understanding (MOU) outlining the process by which both entities will share certain information covered in the MOU on insurance and securities professionals, notably the licensing status of the financial professional. However, with respect to the sharing of information between the insurance and securities regulators, we would urge regulators to not make any final determinations or conclusions or take any action against an advisor based solely on the notification by another regulator that an individual's license is no longer active. An individual may have opted to not renew a securities or insurance license for a variety of reasons, such as retirement or having voluntarily left the industry, and therefore an individual's inactive status

may not be a result of a state or federal authority concluding that the advisor engaged in malfeasance or improper conduct.

If this collaborative effort between the NAIC and FINRA evolves into additional information sharing, we welcome the opportunity to further provide our perspective. We applaud the NAIC and FINRA for undertaking this effort, and we thank you for your time and consideration of our views. Should you have any questions, please contact me in the NAIFA Government Relations office at skline@naifa.org or (703) 770-8187.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Kline". The signature is fluid and cursive, with the first name "Steve" and the last name "Kline" clearly distinguishable.

Steve Kline
Director – Government Relations
National Association of Insurance and Financial Advisors
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