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41st Senatorial District



Senate of Pennsylvania

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INDEPENDENT REGULATORY
REVIEW COMMISSION

#2812

February 17, 2010

Peter J. Salvatore, Regulatory Coordinator
Pennsylvania Insurance Department
Bureau of Administration
1326 Strawberry Square
Harrisburg, PA 17120

RE: Insurance Producer Education and Training Proposed Regulation: 31 Pa. Code Chapter 39a

Dear Mr. Salvatore:

Thank you for allowing me the opportunity to comment on this proposed regulation. It is my understanding this is based in part on a National Association of Insurance Commissioners (NAIC) model legislation which is part of a national effort to license and train producers in a uniform manner. I support the NAIC model, but I share some of the concerns presented to me in this proposed regulation which deviate from the model.

Section 39a.9 (b)(4)(A) – Producer Training Requirements

The requirement of a producer to complete at least eight hours of training in the first full licensing cycle after the effective date of the regulation is a deviation from the NAIC model which states training needs to occur within one year. This would put Pennsylvania on unequal footing with other states, and could create excessive lengths of time for a producer to attain training thus causing superfluous administrative oversight.

Section 39a.9(b)(4)(B) – PA Specific Training

Another difference from the NAIC model would require those selling long term care partnership policies (residents and non-residents) would be required to complete a one-hour long Medicaid course. This goes against uniformity, and I believe out of state producers will receive adequate training in their home states. It will also complicate the requirement placed on insurers to prove training was established.

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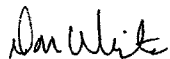
INSURANCE DEPARTMENT
LEGISLATIVE OFFICE

Section 39a.9(c)(1) – Requirements for Insurers

This section requires insurers to obtain proof that a producer has received the requisite level of training before permitting the producer to sell, solicit, or negotiate long term care insurance. It would be more reasonable to require verification standards as opposed to providing proof.

During the negotiations with the Pennsylvania Insurance Department (PID) over legislation to establish oversight of the proposed merger between Highmark and Independence Blue Cross, legal counsel for PID was very vocal in expressing concern over enacting legislation which deviated from the NAIC model, citing a fear that Pennsylvania could lose NAIC accreditation. Given those previous concerns, I find it curious PID is prepared to deviate from the NAIC model in these proposed regulations.

Sincerely,



Don White
Senator, 41st District

DCW/akd