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The Insurance Federation of Pennsylvania, Inc.

**500 North Third Street
3rd Floor
Harrisburg, PA 17101
Tel: (717) 236-2301 Fax: (717) 236-0803
E-mail: jgreer@ifpenn.org**

Jonathan C. Greer
Vice President

January 22, 2010

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

**Re: Insurance Producer Education and Training Regulation:
31 Pa. Code Chapter 39a, Fiscal Note 11-240**

Dear Mr. Salvatore:

On behalf of the Insurance Federation, the American Council of Life Insurers, and America's Health Insurance Plans, we take this opportunity to comment on the captioned regulation. Notice soliciting comment was published in the Pennsylvania Bulletin on December 26, 2009.

The regulatory analysis form notes this proposed regulation is "based in part" on a model regulation drafted by the National Association of Insurance Commissioners (NAIC). The model regulation, like NAIC's model Producer Licensing Act which predates it, is part of a national effort to license and train producers in a uniform fashion throughout the country. It is for this reason we support the NAIC model.

We understand the majority of states have, without substantive amendment, approved the NAIC's model regulation establishing new course and training requirements for producers selling long term care insurance and long term care partnership policies. Neighboring states that have adopted the model include Ohio and Maryland.

January 22, 2010

Page two

This proposed regulation deviates from the model in several key areas and we recommend it be revised to maintain consistency with the efforts of other states and to further the NAIC led goal of uniformity.

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

Subsection 39a.9(b)(4)(A) requires a producer to complete at least 8 hours of training in the first full licensing cycle after the effective date of the regulation. This is a deviation from the model regulation which requires training to occur within one year of the regulation's effective date for existing licensees. We understand other states with the model require new applicants to receive this training prior to licensure.

While we acknowledge the Insurance Department's effort to minimize possible market disruptions caused by a mid licensing cycle training requirement, this approach will put Pennsylvania resident producers on a different footing than non resident producers.

This approach would also result in a needlessly large gap of time for a producer to attain this training. For example, if a producer renews his license on February 1, 2010 and the regulation goes into effect March 1, 2010, the producer will have until January 31, 2014 (the end of his first full licensing cycle after the regulation's effective date) to get the required training.

Individual companies are free to exceed the minimum training requirements established under the proposed regulation. That said, the amount of elapsed time possible combined with an approach that is unique to Pennsylvania will create an unneeded administrative burden for insurers that are required to prove this training has occurred under section 39a.9(c)(1).

2. Section 39a.9(b)(4)(B) - PA Specific Medicaid Training

As part of the initial 8 hour training requirement established under section 39a.9(b)(4)(A), all producers - residents and non-residents - selling long term care partnership policies here would also be required to complete a one hour course on Pennsylvania's Medicaid program. This represents a deviation from the model regulation and should be dropped.

First, this requirement runs counter to the previously stated objective of NAIC led efforts to attain uniformity in the area of producer licensing. Under the model, producers selling partnership policies receive Medicaid training in their state of residence. Pennsylvania should honor this training for non-resident producers who seek to sell partnership policies here.

Second, we see no appreciable benefit to this requirement. While we agree with the model's requirement that producers selling partnership policies receive Medicaid training in their home state, we question the value of a one hour Pennsylvania specific course. We fail to see how a producer in the span of one hour will learn whatever differences exist between our Medicaid program and those of other states.

Third, this will complicate the requirement placed on insurers in 39a.9(c)(1) to prove an insurance producer has received the training established under the regulation. Presumably this requirement is to be met by an insurer accessing a producer's transcript. These transcripts, however, represent training received by the producer only in his state of residence. Because transcripts do not reflect out of state training, it is unclear how insurers could meet this obligation.

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

This section places a new requirement on 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. Insurers are also required to maintain records to this effect.

In keeping with the model, the July 2008 draft version of this regulation required insurers to obtain *verification* that a producer received this training whereas the proposed version requires insurers to prove this training has occurred. Under the latter standard it could be argued insurers would somehow have to prove the information contained in a producer's transcript is accurate - a standard that is both unreasonable and impractical.

Alternatively, we suggest the Insurance Department revert back to the verification standard presented in the draft version from 2008.

3. PA Notice 2008-5

We understand this proposed regulation seeks, in part, to promulgate producer training standards previously outlined in PA Notice 2008-5. That notice, which supersedes an earlier one from January 2008, was published in the April 19, 2008 edition of the Pennsylvania Bulletin.

Similar to the proposed regulation, the notice established an initial eight hour training requirement for producers selling long term care partnership policies to be followed by a four hour training requirement every licensing cycle thereafter. The initial eight hours of training was to be met by December 31, 2008.

Upon completion of the regulatory review process, we request the Insurance Department clarify via notice to its web site that producers who have already attained the initial eight hours of training under PA Notice 2008-5, including the one hour course on Medicaid, will have met this requirement under the regulation.

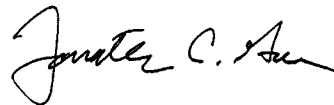
January 22, 2010
Page five

Similarly, courses already approved by the Insurance Department to provide training under the notice should remain approved until their two year certification is exhausted. We understand all provider courses are subject to a two year certification process after which time they must be recertified.

We also request the notice clarify the course approval process, specifically if qualifying courses must be approved by the Commissioner and where a list of them can be found.

Thank you in advance for your consideration of these comments.

Sincerely,



Jonathan C. Greer

C: Honorable Donald C. White, Majority Chairman
Honorable Michael J. Stack, Minority Chairman
Senate Banking and Insurance Committee

Honorable Anthony M. DeLuca, Majority Chairman
Honorable Nicholas A. Micozzie, Minority Chairman
House Insurance Committee