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PIANH met with Sevigny on signature rules, more

PIANH officers and board members met with New Hampshire Insurance Commissioner Roger Sevigny Friday, May 29, to discuss a number of issues and concerns of PIANH members. Among the issues covered were the ban on using stamped signatures; modification of certificates of insurance; and the use of credit scoring by carriers.

Electronic signatures. PIANH has been working continuously with the New Hampshire Insurance Department (NHID) to offer clear guidance to its members regarding the recent change prohibiting stamped signatures on applications for insurance. During the meeting, the issue of an agency- versus producer-based appointment process was discussed relative to the requirement that state insurance laws require a licensed and appointed producer to review and sign every application. Department staff pointed out that a current list of producer appointments is available on their [Web site](#). Moreover, applications signed by nonappointed agents pose issues for companies and producers alike.

Certificates of insurance. Similarly, PIANH worked with the department to address an issue regarding the modification of certificates of insurance by producers with reference to the time frame in which additional insureds are promised notifications of cancellation. Department staff promised additional guidance in the form of a bulletin, expected to be released shortly to offer further clarification on this issue. In the meantime, PIANH has advised its members that issuing certificates of insurance that include or change terms of the underlying policy is improper and could result in serious implications for agents.

Credit scoring. PIANH discussed the often controversial issue of credit scoring with Commissioner Sevigny and top staff at the department. The commissioner confirmed that the issue of credit scoring was the topic of a recent hearing of the National Association of Insurance Commissioners, which illustrated that the real issue is one of transparency. The NHID also recently distributed an initial proposal of a modified INS 3300 and is soliciting comments from interested parties. PIANH distributed the draft to its volunteers and members and asks that constructive comments be forwarded to PIANH to enable us to offer clear guidance to the department regarding our members' concerns with this proposal. Comments may be sent via [e-mail](#). The public hearing regarding the proposal is scheduled for **Thursday, July 2**, at 10 a.m.

Roll-on coverage. The issue of [H.B. 680](#) also was discussed relative to problems posed to producers emanating from the requirement to notify policyholders for additional (and necessary, cost-effective) small dollar coverages. PIANH had suggested a \$50 threshold. The proposal modifies 412:6-a to specify that "no insurance policy renewal shall add any stand-alone, premium-bearing coverage unless such coverage is added at the request of the policyholder." PIANH also explored the use of a blanket consent form to be exercised by policyholders authorizing roll-on coverages by producers.

Anti-rebating. During the meeting, department staff indicated an interest to explore the current anti-rebating laws in New Hampshire and reached out to PIANH for assistance and input. The New Hampshire anti-rebating law is codified in RSA 402:39, and prohibits an insurance company or producer from giving anything of value as an

inducement to purchase insurance, unless the thing of value is specifically referenced in the policy itself. Knowingly giving (directly or indirectly) a rebate as an inducement to purchase insurance also is an unfair trade practice in violation of RSA 417:4, IX (a). PIANH officers and volunteers intend to study the current provisions and offer constructive feedback to department staff regarding this issue.

Employee Misclassification Task Force. PIANH was informed that the department is soliciting feedback regarding its recently formed Employee Misclassification Task Force from producers. PIANH will endeavor to keep its volunteers and members apprised of the workings and scheduled meetings/hearings of this task force in an effort to ensure that insurance producer (and small business) concerns are addressed in the final report of the task force.

PIANH endeavors to meet with the NHID regularly to offer its members the most up-to-date information relative to proposed and enacted regulatory and legislative changes that affect your business.