



**PROFESSIONAL
INSURANCE
AGENTS**

25 CHAMBERLAIN ST.
P. O. BOX 997
GLENMONT, NY 12077-0997
(800) 424-4244
FAX: (888) 225-6935
WEB: www.pia.org
E-MAIL: pia@pia.org

Legislative agenda for 2010 session

The New Hampshire Insurance Department (NHID) released its legislative proposals for the upcoming session. Granite State producers can expect to see PIANH involved in a number of producer-specific issues, including: fingerprinting on producer license applications; anti-rebating prohibitions; and the use of credit scores in underwriting.

Producer licensing, fingerprinting. The NHID may introduce a proposal to incorporate fingerprinting and background checks in its producer-licensing system. The proposal would amend Chapter 402-J to require individuals who apply for a resident insurance producer license to provide their fingerprints, in order for the department to receive national criminal history records from the Federal Bureau of Investigation's Criminal Justice Information Services Division. The applicant would have to pay a fee to obtain the national criminal history records information. The requirement would apply only to initial resident applications and not to renewals.

Rebating exemptions. State anti-rebating laws (RSA 402:39) are designed to protect consumers and provide market stability by prohibiting insurers and producers from offering inducements directly or indirectly to purchase insurance to some but not all policyholders. Rebates are "side deals" not included within the terms of the insurance policy and, therefore, are not guaranteed or available to all policyholders. Reducing premiums is a well-known type of rebating, but giving or promising "any other thing of value whatsoever" also is considered a rebate under the language of the anti-rebating law.

The NHID posted guidance on its Web site for insurance producers (www.nh.gov/insurance/producers/documents/reb_laws.pdf). The document provides copies of applicable statutes, as well as questions and answers to give further guidance in determining whether an item or service is an illegal rebate.

The department has introduced a proposal to address the giving of promotional items of \$25 or less and raffles and drawings that do not exceed \$1,000.

Credit underwriting. The NHID introduced a proposal (LSR 2404) to govern the practice of underwriting on the basis of credit information. The proposal would prohibit an insurer from canceling or refusing to write or renew an auto policy solely on the basis of credit information.

Miscellaneous. A number of other NHID proposals potentially could impact property/casualty policies and producers and PIANH will monitor and track these during the upcoming session. To read more about the upcoming 2010 legislative session in New Hampshire, see the January 2010 of *PIA Magazine*.