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**PIANY regulatory update
NYSID releases new version of compensation disclosure regulation**

PIANY has confirmed that the New York State Insurance Department has once again updated its proposed Regulation No. 194, which would mandate *Producer Compensation Transparency*. Conversations with department staff have confirmed that they intend to submit the Proposed Regulation to the Governor's Office and to the Governor's Office of Regulatory Reform ("GORR") later today and that publication in the *New York State Register* is imminent.

The [new version](#) of the proposed regulation incorporates two substantial changes that PIANY advocated for on behalf of its members:

- 1) **Compensation limited to quotes "presented."** The new draft requires producers to disclose information about compensation expected to be received in connection with quotes "presented," rather than quotes "obtained" (Section 30.3(a)(4) and (b)(2)). This represents the adoption of a change suggested by PIANY and would take a substantial step in reducing the burdens upon producers attempting to comply with any new disclosure requirement.
- 2) **Recordkeeping limited to 30 days.** The new draft permits a purchaser to request information about a producer's compensation for up to 30 days, rather than three years, after issuance of the contract upon which the compensation was based. Commensurate with this shortened time frame, the new draft also requires the producer to provide the requested information within five business days, rather than 30 days, after the request for information is received. This change also represents the adoption of a change suggested by PIANY and would take a substantial step in reducing the recordkeeping burdens upon producers attempting to comply with any new disclosure requirement.

Once again, although the draft is superior to prior iterations, it still presents concerns for professional independent insurance agents, especially in the area of compliance. Accordingly, PIANY will continue to work throughout the public comment period, and with other producer and carrier associations, to further modify the draft with the goal of eliminating compliance difficulties for its members. PIANY also will continue to reiterate its objections regarding the lack of any documented need for the imposition of the regulation on independent producers as well as the lack of statutory authority to support the department's promulgation of a regulation. PIANY members are invited to share their thoughts on this new draft, and the concept of compensation disclosure generally, via e-mail at govaffairs@pia.org.

10/09

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