



DATE: Feb. 7, 2013  
TO: Senate Commerce Committee  
FROM: Professional Insurance Agents of New Hampshire Inc.  
Scott Johnston, President

STATEMENT RE: Senate Bill 70  
*An act relative to the appointment of insurance agents and repealing a fee for insurance producers.*

**PROFESSIONAL  
INSURANCE  
AGENTS**

Professional Insurance Agents of New Hampshire Inc., an association of independent insurance agents throughout the state and their employees, support raised bill S.B. 70 with amendments.

In part, S.B. 70 aims to streamline the insurance producer appointment process by allowing insurers to appoint a business entity acting as an insurance producer as its agent and, in turn, allowing that appointment to constitute the appointment of each producer employed by the entity. PIANH fully supports this goal. The producer appointment system currently in place is tedious, time consuming and rife with inconveniences and inaccuracies. S.B. 70 would work to fix these issues.

PIANH does, however, have some concerns with the bill as presently constituted. PIANH's primary concern is with a requirement found in proposed R.S.A. Section 402 (II)(b). This section states that appointed entities must prepare a list of producers authorized by the entity to act on behalf of each of their insurers. Each year, these lists must be submitted to the Insurance Department and each insurer the entity represents. This provision would prove overly burdensome to agencies and insurers alike. If the aim of S.B. 70 is to streamline and simplify the appointment process, then this reporting provision seems to be the antithesis of that goal.

PIANH would suggest that S.B. 70 be amended to replace the above reporting requirement with one that would allow agencies to send one list of their producers along with all the insurers they are authorized to write with to the Insurance Department. The department would then create and maintain a centralized database of appointed producers which could be accessed by insurers. The creation of a database of this nature would eliminate the need for agencies and carriers to maintain hundreds and hundreds of producer lists.

PIANH also requests that the committee clarify how S.B. 70 applies to independent contractors. Proposed R.S.A. Section 402 (I) states that an insurance producer shall not act as an agent of an insurer unless the insurance producer or entity which employs the insurance producer becomes an appointed agent of that insurer. Many insurance producers work as independent contractors and they are not considered employees under New Hampshire law. S.B. 70 is silent as to whether these independent contractor producers also could be appointed by insurance producer entities or whether the provisions of the bill would only apply to employees of the entity.

PIANH commends the Legislature for addressing this important issue for both agencies and carriers alike. With the addition of the suggested amendments, PIANH supports S.B. 70 and welcomes the opportunity to work with the committee going forward.

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