

S 534

National Association of Registered Agents and Brokers Reform Act of 2013

Congress: 113 (2013–2015, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Mar 12, 2013

Current Status: Placed on Senate Legislative Calendar under General Orders. Calendar No. 151.

Latest Action: Placed on Senate Legislative Calendar under General Orders. Calendar No. 151. (Jul 29, 2013)

Official Text: <https://www.congress.gov/bill/113th-congress/senate-bill/534>

Sponsor

Name: Sen. Tester, Jon [D-MT]

Party: Democratic • **State:** MT • **Chamber:** Senate

Cosponsors (27 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Bennet, Michael F. [D-CO]	D · CO		Mar 12, 2013
Sen. Carper, Thomas R. [D-DE]	D · DE		Mar 12, 2013
Sen. Chambliss, Saxby [R-GA]	R · GA		Mar 12, 2013
Sen. Crapo, Mike [R-ID]	R · ID		Mar 12, 2013
Sen. Heitkamp, Heidi [D-ND]	D · ND		Mar 12, 2013
Sen. Heller, Dean [R-NV]	R · NV		Mar 12, 2013
Sen. Johanns, Mike [R-NE]	R · NE		Mar 12, 2013
Sen. Menendez, Robert [D-NJ]	D · NJ		Mar 12, 2013
Sen. Moran, Jerry [R-KS]	R · KS		Mar 12, 2013
Sen. Murphy, Christopher [D-CT]	D · CT		Mar 12, 2013
Sen. Nelson, Bill [D-FL]	D · FL		Mar 12, 2013
Sen. Warner, Mark R. [D-VA]	D · VA		Mar 12, 2013
Sen. Wicker, Roger F. [R-MS]	R · MS		Mar 12, 2013
Sen. Blunt, Roy [R-MO]	R · MO		Apr 8, 2013
Sen. Udall, Mark [D-CO]	D · CO		Apr 17, 2013
Sen. Baucus, Max [D-MT]	D · MT		Apr 25, 2013
Sen. Harkin, Tom [D-IA]	D · IA		Apr 25, 2013
Sen. Shaheen, Jeanne [D-NH]	D · NH		Apr 25, 2013
Sen. Thune, John [R-SD]	R · SD		May 8, 2013
Sen. Brown, Sherrod [D-OH]	D · OH		May 20, 2013
Sen. Coons, Christopher A. [D-DE]	D · DE		May 20, 2013
Sen. Ayotte, Kelly [R-NH]	R · NH		Jun 3, 2013
Sen. Klobuchar, Amy [D-MN]	D · MN		Jun 12, 2013
Sen. Landrieu, Mary L. [D-LA]	D · LA		Jul 29, 2013
Sen. McConnell, Mitch [R-KY]	R · KY		Sep 12, 2013
Sen. Cochran, Thad [R-MS]	R · MS		Jan 8, 2014
Sen. Murkowski, Lisa [R-AK]	R · AK		Jan 16, 2014

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Hearings By (subcommittee)	Mar 19, 2013

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
113 S 1926	Related bill	Jan 31, 2014: Held at the desk.
113 HR 1155	Related bill	Sep 11, 2013: Received in the Senate. Read twice. Placed on Senate Legislative Calendar under General Orders. Calendar No. 182.
113 HR 1064	Related bill	Mar 12, 2013: Referred to the House Committee on Financial Services.

National Association of Registered Agents and Brokers Reform Act of 2013 - (Sec. 2) Amends the Gramm-Leach-Bliley Act to repeal the contingent conditions under which the National Association of Registered Agents and Brokers (NARAB) shall not be established. Establishes the NARAB without contingent conditions as an independent nonprofit corporation to prescribe, on a multi-state basis, licensing and insurance producer qualification requirements and conditions.

Prohibits NARAB from merging with or into any other private or public entity.

Requires the NARAB, without affecting state regulatory authority, to provide a mechanism for the adoption and multi-state application of requirements and conditions pertaining to: (1) licensing, continuing education, and other qualifications of non-NARAB insurance producers; (2) resident or nonresident insurance producer appointments; (3) supervision and disciplining of such producers; and (4) the setting of licensing fees for insurance producers.

Makes any state-licensed insurance producer eligible to join the NARAB, except during a period of license suspension or revocation. Requires an individual insurance producer to undergo a criminal history record check by the Federal Bureau of Investigation (FBI). Requires the NARAB to submit to the FBI identification information obtained from the insurance producer, upon producer request, as well as a request of its own for the criminal history record check.

Authorizes the NARAB to: (1) establish membership criteria; and (2) deny membership to an individual state-licensed insurance producer on the basis of the criminal history information obtained, or where the producer has been subject to certain disciplinary action.

Prescribes procedures governing a criminal history record check, including the rights of applicants denied membership.

Authorizes NARAB to establish membership criteria, including separate classes of membership and membership criteria for business entities; but prohibits it from establishing criteria that unfairly limit the ability of a small insurance producer to become a member of NARAB, including discriminatory membership fees.

Authorizes NARAB to establish separate categories of membership for insurance producers and for other persons or entities within each class, based on the types of licensing categories that exist under state laws.

Prohibits NARAB from establishing special categories of membership, including distinct membership criteria for members that are depository institutions or for their employees, agents, or affiliates.

Prohibits NARAB from adopting any qualification less protective to the public than that contained in the National Association of Insurance Commissioners (NAIC) Producer Licensing Model Act.

Prescribes procedures for authorized information sharing pursuant to a request by a licensed insurance producer.

Authorizes the NARAB to deny membership to any state-licensed insurance producer for failure to meet membership criteria.

States that NARAB membership authorizes an insurance producer to engage in the business of insurance in any state for any lines of insurance specified in the producer's home state license, including claims adjustments and settlement, risk management, and specified insurance-related consulting activities.

Makes NARAB membership equivalent to a nonresident insurance producer license for specified purposes.

Empowers NARAB to act as agent for any member for the purpose of remitting licensing fees to a state.

Requires NARAB to disclose to states, including state insurance regulators and the NAIC, on an ongoing basis, a list of the states in which each member is authorized to operate.

Retains state regulatory jurisdiction regarding: (1) consumer protection and market conduct, and (2) state disciplinary authority.

Requires NARAB to establish, as a condition of membership, continuing education requirements comparable to the continuing education requirements under the licensing laws of a majority of the states.

Prohibits NARAB from offering continuing education courses for insurance producers.

Grants NARAB disciplinary enforcement powers.

Requires NARAB to: (1) receive and investigate consumer complaints, and to maintain a toll-free telephone number; and (2) refer any such complaint to the state insurance regulator. Prescribes information-sharing procedures and limitations with the NAIC or governmental entities.

Authorizes NARAB to establish: (1) a central clearinghouse, or utilize NAIC as one, through which NARAB members may disclose their intent to operate in one or more states; and (2) a database, or utilize NAIC as one, for the collection of regulatory information concerning the activities of insurance producers.

Establishes the NARAB board of directors, whose membership shall include state insurance commissioners. Sets forth terms and procedures for appointment of members by the President. Authorizes reappointment to successive terms. Prohibits compensation on account of Board membership.

Declares that NARAB shall not be deemed to be an insurer or insurance producer within the meaning of any state law, rule, regulation, or order regulating or taxing insurers, insurance producers, or other entities engaged in the business of insurance.

Sets forth procedures for presidential oversight of NARAB, including removal of the entire existing Board.

Sets forth a limited preemption of state laws purporting to regulate insurance producers.

Directs NARAB to coordinate with the Financial Industry Regulatory Authority (FINRA) in order to ease administrative burdens that fall on NARAB members subject to regulation by FINRA.

Authorizes any person aggrieved by a NARAB decision or action to commence a civil action in an appropriate federal district court.

Prohibits federal funding of NARAB.

Actions Timeline

- **Jul 29, 2013:** Committee on Banking, Housing, and Urban Affairs. Reported by Senator Johnson SD, with an amendment in the nature of a substitute. With written report No. 113-82.
- **Jul 29, 2013:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 151.
- **Jun 6, 2013:** Committee on Banking, Housing, and Urban Affairs. Ordered to be reported with an amendment in the nature of a substitute favorably.
- **Mar 19, 2013:** Committee on Banking, Housing, and Urban Affairs Subcommittee on Securities, Insurance, and Investment. Hearings held. With printed Hearing: S.Hrg. 113-21.
- **Mar 12, 2013:** Introduced in Senate
- **Mar 12, 2013:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.