

# Agents call for national producer licensing reform

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WASHINGTON, D.C. — A U.S. district court's decision that two Florida laws denying equal treatment to nonresident Florida-licensed agents are unconstitutional will result in an additional breakdown of artificial barriers to licensing and regulatory uniformity in the states, warns the Independent Insurance Agents & Brokers of America (IIABA).

Last week, Judge Robert L. Hinkle of the U.S. District Court for the Northern District of Florida ruled that the Florida countersignature statute and a ban prohibiting nonresident agents to be licensed as surplus lines providers violate the Privileges and Immunities Clause and the Equal Protection Clause of the U.S. Constitution and thus are unconstitutional. The Council of Insurance Agents & Brokers brought the case.

Florida Insurance Commissioner Tom Gallagher was enjoined from enforcing the laws by the ruling that the state cannot deny Florida-licensed nonresident agents the same rights and privileges that resident agents possess.

"In sum, no purpose is served by denying to Florida-licensed agents who live outside Florida the same rights and privileges afforded to Florida-licensed agents who reside within the state. The discrimination against nonresident agents is unconstitutional," wrote Hinkle on the countersignature law and the surplus lines license ban.

IIABA, which opposes countersignature laws, said the decision will give impetus to the effort to create reciprocity in agent and broker licensing in all 51 states.

The Gramm Leach Bliley Act of 1999 requires a majority of states to adopt reciprocal licensing reform. To date, 41 states have enacted these reforms, leaving 10 to act. □