



ORDER NUMBER R 10-02

March 19, 2010

**ORDER WAIVING CERTAIN LICENSE APPLICATION
REQUIREMENTS FOR NONRESIDENTS TO ACHIEVE RECIPROCITY
UNDER P.L. 106-102 (Gramm-Leach-Bliley Act)**

BACKGROUND:

Effective January 1, 2002, AS 21.27.270(a) was amended to read as follows:

In accordance with P.L. 106-102 (Gramm-Leach-Bliley Act), the director shall issue a license to a nonresident license applicant on terms that are reciprocal with those of the applicant's home state. Notwithstanding any contrary provision of this chapter, the director may by order waive any license application requirement in this chapter to achieve reciprocity to license a nonresident in accordance with P.L. 106-102 (Gramm-Leach-Bliley Act).

Under P.L. 106-102, the National Association of Insurance Commissioners (NAIC) is charged with assessing what is required of states to become reciprocal and determining those states that meet the reciprocity requirements. Initial assessments occurred several years ago and the NAIC determined which states were compliant. The NAIC has continued to evaluate and review state laws, requirements, and processes to ensure that the respective states continue to comply with the reciprocity requirements under P.L. 106-102.

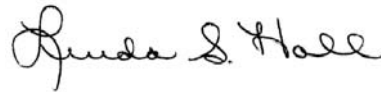
Under AS 21.27.790(1), to qualify for a surplus lines broker license, an applicant or licensee must be licensed as either an insurance producer or managing general agent for property and casualty lines of authority.

The NAIC has recently determined that any state that requires a person to hold a property and casualty producer license before obtaining a surplus lines broker license, if that person is not required to conduct the due diligent search of the admitted market, is not in compliance with reciprocity under P.L. 106-102. For Alaska to be reciprocal under P.L. 106-102, the division must waive the requirement that a nonresident surplus lines broker hold a property and casualty producer or managing general agent license if the surplus lines broker is not required to perform a diligent search of the admitted market under AS 21.34.020(a) and 3AAC 25.035.

ORDER:

IT IS ORDERED THAT, in order to achieve reciprocity under P.L. 106-102, for an applicant who is seeking a **nonresident surplus lines broker license**, the director waives the requirement under AS 21.27.790(1) that a surplus lines broker must hold a property and casualty producer or managing general agent license if the surplus lines broker is not required to perform a diligent search of the admitted market under AS 21.34.020(a) and 3AAC 25.035.

This order takes effect March 19, 2010.

A handwritten signature in cursive script that reads "Linda S. Hall".

Linda S. Hall
Director