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BULLETIN

TO: All Licensed Insurers and Insurance Producers

FROM: Leslie A. Newman, Commissioner *Leslie A. Newman*

RE: Insurance Producer Company Appointments

DATE: October 19, 2010

The purpose of this bulletin is to inform insurance companies of a change in the way that insurance producer company appointments and related fees will be collected by the Insurance Division of the Department of Commerce and Insurance ("Division").

Tennessee Code Annotated § 56-6-115 governs company appointments of insurance producers, requiring a valid appointment prior to a licensed producer acting as an agent of the company. The statute further authorizes the commissioner to determine the format through which notice of the appointment will be filed, and mandates the payment of a fee with each notice of appointment. The fee of fifteen dollars ($15) is established by T.C.A. § 56-6-121. The Division currently collects fees owed through a quarterly billing to each company based on the number of producer appointments filed during that quarter.

Beginning November 19, 2010 the fees associated with company appointments of insurance producers will be collected not by the Division, but through the National Insurance Producer Registry ("NIPR"). NIPR is a non-profit affiliate of the National Association of Insurance Commissioners ("NAIC") that facilitates the electronic exchange of information and the electronic payment of fees between state insurance regulators and insurance companies and producers. From November 19, 2010 forward, appointment fees will be collected electronically simultaneously with the filing of the notice of appointment. Companies will receive a final quarterly billing for all appointments made through November 18, 2010.

Any questions about this Bulletin should be directed to the Agent Licensing Section of the Insurance Division, 2nd Floor, Davy Crockett Tower, 500 James Robertson Parkway, Nashville, Tennessee, 37243, and/or telephone number (615) 741-2693.

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