



## Producer Licensing



### Frequently Asked Questions

#### 1. License Applications

- **How do I obtain license applications?**

Online Licensing Applications: The Department will only accept electronic license and renewal applications. Applicants may apply online through the NIPR (National Insurance Producer Registry). The NIPR Gateway is a communication network that electronically links state insurance departments with the entities they regulate. The website address to submit an application is:

[www.nipr.com](http://www.nipr.com)

The following applications may be submitted electronically through NIPR:

- Resident & Nonresident License Applications
  - Resident & Nonresident Amendments
  - Address Changes
  - Resident & Nonresident Renewals
  - Appointments/Terminations
- **How much is the resident producer license application fee?**

Both resident and non-resident producer license application fee is \$100.00

**What is your turnaround time on new license applications?** Turnaround times for new license applications are 24/48 hours. Delays of course may occur if it becomes necessary to investigate administrative actions or background information listed on your application.

#### 2. License Requirements

- **Who needs to be licensed?**

No person or business entity shall sell, solicit or negotiate insurance in this state for any class or classes of insurance unless that person is licensed for that line of authority in accordance with Delaware law. If the person or business entity represents the insurer or acts as an agent of the insurer, they shall also hold a valid appointment with that insurer.

- **I'm an Insurance Consultant, do I need to be licensed?**

Effective March 1, 2002, Delaware no longer issues licenses to consultants although, if a person is acting in the capacity of a consultant and providing insurance advice, they may obtain a Producer License. Whenever a person is acting as a consultant for the insured, they are not required to obtain an appointment. Please note Delaware law does not permit a producer to charge fees in addition to premium. Therefore, no producer may act as both agent of the insured and charge the consumer consultant fees in addition to commissions earned on policies.

- **I receive override commissions as a General Agent, do I need to be licensed and appointed with that same company?**

A General Agent who receives only a commission override for business produced by licensed persons and has no involvement whatsoever in the sale, solicitation or negotiation of insurance does not have to obtain a license or appointment with that same insurer. For example, if the General Agent has direct contact with the client in discussing insurance transactions, that General Agent must obtain a license and appointment as they would in fact fall under the definitions of selling, soliciting or negotiating insurance.

- **How do I cancel my producer license?**

Any licensed producer may contact the Insurance Department at any time to cancel his or her license. Cancellation of a license does not relieve a producer from any administrative action for violations of law that occurred while that person held a license. Any time a resident producer requests a "Letter of Clearance" to apply for a license in a new resident state, the current resident license will be cancelled after 30 days. Voluntary Surrender requests may be faxed (302-736-7906). Please include name, license number and signature.

### **3. Residency - Home State**

- **Do I need to actually reside in this state to hold a Resident Producer License?** No, you could reside in another state and hold a Delaware resident producer license. A resident producer license is issued using your Home State address and the definition of Home State includes your

principal place of residency or your principal place of business. For example, you might live in another state bordering Delaware but be employed in an agency in Delaware.

- **If I move to Delaware from another state, how do I apply for a new resident producer license?**

If you already hold a non-resident producer license in Delaware, please notify the Department of the change of address/residency via fax (302-736-7906) or email ([licensing@state.de.us](mailto:licensing@state.de.us)) The Department must be notified within 30 days from the date you move to Delaware.

- **If I move to another state from Delaware, how do I obtain a new non-resident producer license from Delaware?**

First, you will need to obtain a Letter of Clearance by sending a request and payment in the amount of \$5.00 to the Delaware Insurance Department. Only the licensed individual may request this letter. Please include an email address. We will issue the Letter of Clearance in favor of the new state in which you are applying for a new resident producer license. The Letter of Clearance indicates you were licensed and in good standing in Delaware and the lines of authority you were authorized to write. We allow a 30-day window for you to obtain your resident license. If you choose to maintain a non-resident Delaware license, please notify the Department within 30 days of your new address/residency via fax (302-736-7906) or email ([licensing@state.de.us](mailto:licensing@state.de.us)). No license application or Home State Certification is necessary if you were licensed and in good standing when you left Delaware.

- **If I move to Delaware and have been licensed in another state, do I need to take any insurance exams?**

If you move to Delaware and held a license previously in another state and request or apply for a license in Delaware within 90 days of the date you terminated your license in the previous state, you will not need to take any Delaware exams to become licensed for the same lines of authority you held in your previous state. If you do wish to become licensed in additional lines of insurance, you may need to take an exam. You may apply for the license at [www.nipr.com](http://www.nipr.com)

#### **4. Resident Producer Licensing**

- **How do I become licensed as a new resident Delaware Insurance Producer?**

The following link will provide information on how to obtain an insurance license in

Delaware: [http://insurance.delaware.gov/wp-content/uploads/sites/15/2017/09/Lic\\_Proc.pdf](http://insurance.delaware.gov/wp-content/uploads/sites/15/2017/09/Lic_Proc.pdf)

- **Do I need to complete pre-licensing education before becoming licensed?**

No pre-licensing education is required in Delaware to obtain a resident or non-resident producer license. However, to avoid repeating the exam process we encourage all prospective candidates to prepare properly for exams by taking pre-licensing courses provided by their proposed company or a local professional agent association.

- **How do I schedule an insurance licensing exam?**

Contact the exam provider Pearson Vue: <http://www.asisvcs.com/publications/pdf/120800.pdf>

## **5. Non-Resident Producer Licensing**

- **How do I qualify for a non-resident Producer License?**

You may apply for your non-resident license request electronically at [www.nipr.com](http://www.nipr.com)

- **Do I need to provide a Home State Certification?**

No, Delaware subscribes to the NAIC Producer Database (PDB). We have the capability to verify electronically that your license is active and in good-standing.

- **How much is the non-resident producer license application fee?**

The non-resident license application fee is the same as a resident fee \$100.00. This fee is non-refundable.

- **Are non-resident licensing and appointment fees retaliatory?**

Delaware does not charge retaliatory fees.

- **As a non-resident, do I need to complete any Continuing Education for Delaware?**

Non-resident producers are exempt from continuing education requirements in Delaware. You only need to comply with continuing education requirements in your Home State.

- **If I move to your state do I have to complete pre-licensing education or take an insurance exam?**

Delaware does not require pre-licensing education. If you apply for a new resident producer license within 90 days of the termination of the license in your Home State, you will not have to complete insurance exams in this state.

- **Do I need a non-resident license to enroll employees in a group benefit plan?**

No person is required to be licensed as a producer if their activities are limited to securing and furnishing information for the purpose of group life insurance, group annuities, group or blanket accident and health insurance, or for the purpose of enrolling individuals under such plans or administering such plans. This exemption is only applicable for true group insurance plans in which an employer sponsors such plan and employees are provided the option of enrolling in that plan. If you sell, solicit or negotiate insurance coverage in addition to the group benefits offered by the employer, a producer license is required.

- **Do I need a non-resident license to extend coverage to a multi-state commercial property/casualty risk?**

No producer license is required of a producer who is not a resident of this state who sells, solicits or negotiates a contract of insurance for commercial property and casualty risks to an insured with risks located in more than one state insured under that contract, if that person is otherwise licensed as an insurance producer in the state where the insured maintains its principal place of business.

## **6. Appointments and Terminations**

- **Do you require appointments in Delaware?**

Yes, appointments are required of those producers who are acting in the capacity of an "agent of the insurer".

- **What is an agent of the insurer?**

An agent of the insurer is any insurance producer who is compensated directly or indirectly by an insurer and sells, solicits or negotiates any insurance product of that insurer. An agent of the insurer must hold an appointment with that insurer.

- **What is a Broker of the insured?**

Broker of insured means a licensed producer of the Department who for compensation negotiates on behalf of others contracts for insurance from companies to whom he or she is not appointed.

- **How soon is an appointment required of a producer?**

An insurer must appoint a producer or business entity as its agent within fifteen (15) days from the date the agency contract is executed or the first insurance application is submitted by the producer or business entity to the insurance company.

- **If I lose my last appointment, will my license be canceled?**

No, the termination of a producer's final appointment will not terminate that producer's license although that producer may not act as an agent of an insurer until he or she is appointed by that insurer.

- **How are company appointments processed?**

Appointments are processed through the National Insurance Producer Registry [www.nipr.com](http://www.nipr.com)

- **Are appointments renewed annually?**

No, all appointments are permanent unless cancelled by the Company and/or producer or the Department by operation of law including suspension, revocation or consent stipulation.

- **How much are your appointment fees?**

New appointment fees are \$50.00 for resident and non-resident producers.

- **Are appointment fees retaliatory?**

No.

- **How does an insurance company terminate an appointment?**

Appointments may be terminated through the National Insurance Producer Registry [www.nipr.com](http://www.nipr.com).

- **Is an insurance company required to notify a producer of a termination?**

Yes, insurers are required to notify the producer within fifteen (15) days of the date a notice of appointment termination is sent to the Department of Insurance.

## **7. Continuing Education**

- **Who is required to comply with Continuing Education requirements?**

Resident producers, adjusters and Non-Resident Adjusters are required to comply with Delaware Continuing Education laws. Continuing Education Credits must be completed by February 28<sup>th</sup> of every even year for Resident and February 28<sup>th</sup> of every odd year for Non-Residents. Resident producers are granted additional credits for holding an approved professional designation or for continuously holding a license for 25 years or more. See Continuing Education

Regulation 504 for requirements.

<http://regulations.delaware.gov/AdminCode/title18/500/504.shtml#TopOfPage>

- **Are non-residents required to do Continuing Education?**

Non-resident producers are exempt from continuing education requirements although if a producer fails to comply with continuing education requirements in his or her home state may result in the suspension/revocation and or fines.

- **How do I obtain a list of approved Continuing Education providers?**

All Delaware approved Continuing Education providers are available on our web site. [www.insurance.delaware.gov](http://www.insurance.delaware.gov)

- **What license types or lines of authority are exempt from Continuing Education?**

Limited Lines Producers are exempt from continuing education requirements.

## 8. Definitions

- **What is a Producer?**

A producer is any person required to be licensed under the laws of this State to sell, solicit or negotiate insurance. The term "Producer" replaces any previous reference to Agents or Brokers. All Agent, Broker, Consultant, and Limited Representative licenses for both residents and non-residents will be replaced with the new Producer license.

- **What are the definitions of Sell, Solicit and Negotiate?**

The terms sell, solicit and negotiate are used throughout the new licensing laws and are used to determine when a license is required. The terms are defined as follows:

Sell - To exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company.

Solicit - Attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.

Negotiate - The act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract if the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers.

## 9. Licensing Exemptions

- **Are officers, directors, employees or customer service representatives (CSR's) of an insurance agency or insurance company exempt from licensing?**

A license is not required of an officer, director or employee of an agency or insurance company if they do not receive any commission on policies written or sold to insure risks residing, located, or to be performed in this state and their activities are executive, administrative, managerial, clerical or a combination of these and are only indirectly related to the sale, solicitation or negotiation of insurance.

- **I'm an adjuster for property/casualty claims; do I need to be licensed?**

Yes. <http://delcode.delaware.gov/title18/c017/index.shtml>

- **I'm a Risk Manager for my employer; do I need to be licensed?**

Risk Managers are exempt from licensing if they are a salaried full-time employee who only counsels or advises his or her employer relative to the insurance interests of the employer or of the subsidiaries or business affiliates of the employer, if the employee does not sell or solicit insurance or receive a commission.

- **If I advertise insurance in Delaware, do I need to be licensed as a Producer?**

Any person whose activities in this state are limited to advertising without the intent to solicit insurance in this state through communications in printed publications or other forms of electronic mass media (Internet) whose distribution is not limited to residents of this state is exempt from licensing requirements as long as they are not selling, soliciting or negotiating insurance in this state.

- **If I'm in active military duty, do I need to comply with licensing or Continuing Education requirements?**

Any licensee who is unable to comply with license renewal or Continuing Education procedures due to military service may request a waiver from the Commissioner. The waiver may be faxed (302-736-7906) or emailed ([licensing@state.de.us](mailto:licensing@state.de.us)) to the Department.

- **If I become ill or disabled do I need to comply with licensing or Continuing Education requirements?**

Any licensee insurance producer who is unable to comply with license renewal or Continuing Education procedures due to a long-term medical disability or other extenuating circumstances



may request a waiver from the Commissioner. The waiver may be faxed (302-736-7906) or emailed ([licensing@state.de.us](mailto:licensing@state.de.us)) to the Department.

## **10. Business Entities Corporations - Partnerships - Legal Entities**

- **Does my Corporation or Partnership need to be licensed?**

Yes, business entity's need to be licensed as a producer. A business entity is defined as a corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity.

- **How do I apply for a Business Entity Producer License?**

Business Entity applications are processed online at [www.nipr.com](http://www.nipr.com).

- **Does my Business Entity need to be appointed by the insurer(s) I represent?**

No.

- **Do I have to have Producers affiliated with my Business Entity?**

A Business Entity must designate a Designated Responsible License Producer (DRLP) for the entity's compliance with the insurance laws and rules of this state. Also note, any producer representing the business entity in this state must be licensed and appointed with insurers the producer represents. The Business Entity license does not automatically authorize producers to sell, solicit and negotiate insurance in this state without an individual resident or non-resident producer license. If no producers are affiliated with the business entity license, the business entity license will automatically lapse. For example, if the business entity only had one DRLP and that producer's license was terminated for any reason, the business entity license would also lapse.

## **11. Limited Lines Credit Insurance**

- **What is Limited Lines Credit Insurance?**

Limited Lines Credit Insurance is credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection (GAP) insurance, and any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing the credit obligation that the Director determines should be designated a form of Limited Line Credit Insurance.

- **Do I need to take an exam or complete Continuing Education for a Limited Line Credit License?**

No exam or continuing education is required for Limited Line Credit Insurance.

- **Do I need to complete a training program to sell credit insurance?**

Each insurer that sells, solicits or negotiates any form of credit insurance shall provide the business entity a program of instruction that must be administered for each employee of the business entity whose duties include selling, soliciting or negotiating any form of credit insurance.

- **Do I need a license to sell "group" credit insurance?**

Anyone who sells, solicits or negotiates contracts of insurance must be licensed. Exceptions to licensing are found at: <http://delcode.delaware.gov/title18/c017/index.shtml>

## 12. Lines of Authority

- **What lines of authority are issued in Delaware?** Delaware has adopted the Major Lines of Authority contained in the NAIC Producer Licensing Model Act. The major lines of authority are now Property, Casualty, Life, Accident & Health or Sickness, Variable and Personal Lines Insurance. For a complete explanation of the changes in lines of authority see: <http://delcode.delaware.gov/title18/c017/index.shtml>

## 13. License Renewals

- **When do licenses renew?**

Resident licensees and business entities are required to renew biennially by February 28th of every even year. A license renewal notice is emailed to a licensee 90 days prior to the due date. Resident Insurance Producers, Bail Producers, Limited Lines Producers, Fraternal Producers, Adjusters, Appraisers, Public Adjusters, and Surplus Lines Brokers initially licensed within 90 days prior to the renewal deadline of February 28th (December 1st - February 28th) are not subject to the renewal fee for that specific biennial renewal period. Non-resident licensees and business entities are required to renew biennially by February 28th of every odd year. A license renewal notice is emailed to a licensee 90 days prior to the due date. Non-resident Insurance Producers, Limited Lines Producers, Fraternal Producers, Adjusters, Appraisers, Public Adjusters, and Surplus Lines Brokers initially licensed within 90 days prior to the renewal

deadline of February 28th (December 1st - February 28th) are not subject to the renewal fee for that specific biennial renewal period.

Renewals are paid online at [www.nipr.com](http://www.nipr.com)

#### 14. Change Requests

- **How do I make a change request for my address or a change of name?**

Delaware requires notification of a change of address within 30 days. Address changes can be made electronically at [www.nipr.com](http://www.nipr.com)

- **How do I make a name change?**

Delaware requires a Form 2C (<http://insurance.delaware.gov/wp-content/uploads/sites/15/2017/08/NEW2C.pdf>) along with proof of name change and a \$25 fee to amend Department records.

#### 15. NAIC Electronic Licensing Initiatives

- **Does Delaware subscribe to the NAIC Producer Data Base (PDB)?**

Yes.

- **How do I obtain access to the NAIC Producer Data Base (PDB)?**

To access the NIPR Producer Database you must have a valid customer number and PIN, which may be obtained by calling the NIPR's product information line at 816-783-8467. Additional information may be obtained from the National Insurance Producer Registry (NIPR) web site located at: [www.nipr.com](http://www.nipr.com)

#### 16. Assumed Names or Trade Names

- **Am I required to report an assumed name or a trade name?**

Yes, you are to report any and all assumed names, alias, trade names or DBA's to the Department of Insurance. A Form 2C, proof of DBA and a \$25 fee is required.

#### 17. Temporary Licensing

- **Do you offer a temporary license?**
- Yes, the Commissioner may issue a temporary license for a period not to exceed 180 days without requiring an examination if the Commissioner determines the temporary license is

necessary to provide continued service to policyholders. This occurs primarily due to the death, total disability or active military service of a licensed producer. The Commissioner may issue the temporary license to a surviving spouse, a legal representative of the producer or an employee of the producer. To obtain a temporary license, contact the Department of Insurance.

## **18. Commissions, Commission Sharing and Rebating**

- **Can I share commissions with an unlicensed person?**

No insurer or insurance producer may pay a commission, service fee, brokerage or other valuable consideration to a person for selling, soliciting or negotiating insurance in this state if that person is required to be licensed under the laws of this state and is not so licensed.

- **Does Delaware allow rebating?**

Delaware does not permit rebating. Anti-Rebating statutes are found under Title 18 Chapter 23 Unfair Trade Practices Act.

- **If I leave the insurance business or state, may I continue receiving commissions?**

Renewal of other deferred commissions may be paid to a person if the person was required to be licensed and was at the time of the sale. If a person moves from this state and is subsequently contacted by a former client, the producer must obtain a license to sell, solicit or negotiate insurance in behalf of that customer.

- **May I pay service fees or marketing fees?**

An insurer or insurance producer may pay or assign a commission, service fee, brokerage, nominal fee of a fixed dollar amount for each referral that does not depend on whether the referral results in a transaction or sale, or other valuable consideration to an insurance agency or to persons who do not sell, solicit or negotiate insurance in this state, unless the payment would violate anti-rebating statutes.

- **I'm a non-resident general agent, do I need a license to share in commissions?**

A General Agent who receives only a commission override for business produced by persons he or she solicited as producers and has no involvement whatsoever in the sale, solicitation or negotiation of insurance does not have to obtain a license or appointment with that same insurer. For example, if the General Agent has direct contact with the client in the transaction of insurance, that General Agent must obtain a license and appointment as they would in fact be selling, soliciting or negotiating insurance.