

Insurance AI Producer Licensing Appointments Continuing Education and Distribution Compliance Center

Executive handbook for responsible producer eligibility, appointments, education, supervision, compensation, and licensing operations

CENTER	COVERAGE
Practice library	32 practices across eight domains
Risk catalogue	12 producer licensing and distribution-compliance AI risks
Measure library	12 eligibility, timeliness, compliance, producer, customer, risk, cost, and value measures
Lifecycle	Design, pilot, operate, and improve

Executive Producer-Authority Model

Responsible automation connects verified identity, current jurisdictional authority, appointments, training, renewal, supervised activity, controlled compensation, reconciled systems, human judgment, and examination-ready evidence.

MEASURE	MANAGEMENT USE
Producer and business-entity identity match accuracy	Define entity, role, product, state, period, baseline, threshold, source, owner, uncertainty, and action.
License line state product and activity eligibility accuracy	Define entity, role, product, state, period, baseline, threshold, source, owner, uncertainty, and action.
Application completeness deficiency and rework rate	Define entity, role, product, state, period, baseline, threshold, source, owner, uncertainty, and action.
Appointment submission acknowledgment and synchronization timeliness	Define entity, role, product, state, period, baseline, threshold, source, owner, uncertainty, and action.
Renewal lapse reinstatement and overdue rate	Define entity, role, product, state, period, baseline, threshold, source, owner, uncertainty, and action.
CE training completion exception and audit rate	Define entity, role, product, state, period, baseline, threshold, source, owner, uncertainty, and action.
Adverse event reporting and escalation timeliness	Define entity, role, product, state, period, baseline, threshold, source, owner, uncertainty, and action.
Pre-sale block override and unlicensed-activity rate	Define entity, role, product, state, period, baseline, threshold, source, owner, uncertainty, and action.
Commission eligibility exception and recovery rate	Define entity, role, product, state, period, baseline, threshold, source, owner, uncertainty, and action.
Cross-system reconciliation discrepancy and aging rate	Define entity, role, product, state, period, baseline, threshold, source, owner, uncertainty, and action.
Regulatory request finding and remediation closure timeliness	Define entity, role, product, state, period, baseline, threshold, source, owner, uncertainty, and action.
Producer experience compliance risk cost and realized value	Define entity, role, product, state, period, baseline, threshold, source, owner, uncertainty, and action.

Producer Licensing AI Risk Catalogue

RISK	EXPOSURE
A person or entity performs licensable activity without valid authority	May affect legal authority, consumer protection, distribution, appointments, compensation, reporting, examinations, financial outcomes, or trust.
Producer identity business entity affiliation or home state is incorrect	May affect legal authority, consumer protection, distribution, appointments, compensation, reporting, examinations, financial outcomes, or trust.
Product transaction or customer is matched to the wrong line or jurisdiction	May affect legal authority, consumer protection, distribution, appointments, compensation, reporting, examinations, financial outcomes, or trust.
Appointment is missing late terminated or not synchronized with authority	May affect legal authority, consumer protection, distribution, appointments, compensation, reporting, examinations, financial outcomes, or trust.
Renewal continuing education or required training deadline is missed	May affect legal authority, consumer protection, distribution, appointments, compensation, reporting, examinations, financial outcomes, or trust.
Criminal disciplinary administrative or regulatory action is not escalated	May affect legal authority, consumer protection, distribution, appointments, compensation, reporting, examinations, financial outcomes, or trust.
Agency designated producer ownership or supervisory relationship is wrong	May affect legal authority, consumer protection, distribution, appointments, compensation, reporting, examinations, financial outcomes, or trust.
Commission fee referral or compensation is paid or disclosed incorrectly	May affect legal authority, consumer protection, distribution, appointments, compensation, reporting, examinations, financial outcomes, or trust.
NIPR PDB state carrier agency or internal records conflict	May affect legal authority, consumer protection, distribution, appointments, compensation, reporting, examinations, financial outcomes, or trust.
AI makes or communicates an unsupported eligibility or adverse determination	May affect legal authority, consumer protection, distribution, appointments, compensation, reporting, examinations, financial outcomes, or trust.
Vendor outage security event or rule change disrupts licensing operations	May affect legal authority, consumer protection, distribution, appointments, compensation, reporting, examinations, financial outcomes, or trust.
Speed and volume are measured without consumer protection or unlicensed-activity outcomes	May affect legal authority, consumer protection, distribution, appointments, compensation, reporting, examinations, financial outcomes, or trust.

Licensing Strategy and Governance

Accountable owner: Chief Distribution Officer

PRACTICE	PURPOSE	EVIDENCE
GOV-01 Producer licensing policy and objectives	Set approved licensing outcomes, legal boundaries, prohibited uses, controls, records, escalation, and accountable ownership.	Producer licensing policy and objectives record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
GOV-02 Jurisdiction product channel and activity scope	Map entities, producers, employees, contractors, adjusters, agencies, products, channels, activities, states, and applicable licensing rules.	Jurisdiction product channel and activity scope record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
GOV-03 Accountability authority and segregation	Separate applicant data entry, verification, eligibility, approval, appointment, access, compensation, reporting, assurance, and exception authority.	Accountability authority and segregation record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
GOV-04 Risk tier portfolio sequencing and value	Sequence AI uses by unlicensed-activity risk, jurisdictional complexity, consumer impact, autonomy, data sensitivity, readiness, and value.	Risk tier portfolio sequencing and value record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date

Identity Background and Application

Accountable owner: Licensing Operations Lead

PRACTICE	PURPOSE	EVIDENCE
APP-01 Identity business entity and affiliation verification	Resolve individual and business-entity identity, tax and national producer identifiers, aliases, affiliations, ownership, designated producers, and duplicates.	Identity business entity and affiliation verification record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
APP-02 Application completeness attestation and consent	Validate required fields, documents, fees, examinations, education, attestations, disclosures, consent, signatures, dates, and source provenance.	Application completeness attestation and consent record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
APP-03 Background regulatory and disciplinary review	Review criminal, regulatory, civil, financial-responsibility, fraud, disciplinary, and prior-license information using current rules and qualified judgment.	Background regulatory and disciplinary review record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
APP-04 Exception deficiency denial and hearing workflow	Route missing, conflicting, adverse, or exceptional information for notice, supplementation, documented review, correction, denial, appeal, or hearing.	Exception deficiency denial and hearing workflow record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date

Lines Authority Eligibility and Reciprocity

Accountable owner: Licensing Compliance Lead

PRACTICE	PURPOSE	EVIDENCE
AUT-01 Licensable activity and role determination	Determine whether selling, soliciting, negotiating, advising, adjusting, administering, referring, or clerical activity requires authority in context.	Licensable activity and role determination record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
AUT-02 Line of authority product and transaction matching	Match every product, line, state, risk location, customer, transaction, carrier, and channel to valid license, qualification, training, and restriction.	Line of authority product and transaction matching record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
AUT-03 Resident nonresident reciprocity and mobility	Verify home state, standing, resident and nonresident eligibility, reciprocity, transfers, address changes, and state-specific conditions.	Resident nonresident reciprocity and mobility record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
AUT-04 Temporary limited surplus lines and special authority	Control temporary, limited-lines, surplus-lines, adjuster, emergency, and other special authorities by sponsor, duration, scope, state, and restriction.	Temporary limited surplus lines and special authority record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date

Appointments Agency Relationships and Terminations

Accountable owner: Producer Administration Lead

PRACTICE	PURPOSE	EVIDENCE
APT-01 Appointment eligibility submission and effective date	Confirm license, line, state, carrier eligibility, submission timing, effective date, status, acknowledgment, exception, and renewal for each appointment.	Appointment eligibility submission and effective date record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
APT-02 Agency hierarchy affiliation and designated responsibility	Maintain agency and business-entity structures, assumed names, branch relationships, affiliations, responsible licensed producers, and supervisory ownership.	Agency hierarchy affiliation and designated responsibility record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
APT-03 Termination for cause notification and continuity	Process voluntary and for-cause terminations with required facts, notices, regulator filings, confidentiality, producer response, and customer continuity.	Termination for cause notification and continuity record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
APT-04 Access commission and authority synchronization	Synchronize licensing and appointment status with quoting, binding, selling, servicing, system access, authority limits, and commission eligibility.	Access commission and authority synchronization record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date

Renewal Continuing Education and Reporting

Accountable owner: Education and Renewal Lead

PRACTICE	PURPOSE	EVIDENCE
REN-01 Renewal reinstatement and lapse control	Track expirations, fees, renewal windows, attestations, waivers, lapses, reinstatement conditions, notices, and restrictions by jurisdiction.	Renewal reinstatement and lapse control record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
REN-02 Continuing education requirement and completion	Map CE hours, categories, ethics, flood, long-term care, annuity or other training, carryover, reciprocity, providers, courses, completion, and audit evidence.	Continuing education requirement and completion record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
REN-03 Address name assumption and status change reporting	Report required legal name, address, assumed name, affiliation, ownership, home-state, contact, and status changes accurately and on time.	Address name assumption and status change reporting record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
REN-04 Administrative criminal and regulatory action reporting	Capture and assess administrative actions, criminal prosecutions, convictions, civil matters, tax or support orders, and other required reports.	Administrative criminal and regulatory action reporting record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date

Distribution Supervision and Compensation

Accountable owner: Distribution Compliance Lead

PRACTICE	PURPOSE	EVIDENCE
SUP-01 Pre-sale eligibility and point-of-transaction control	Prevent transactions until current license, line, appointment, training, carrier, state, customer, product, and role conditions are satisfied.	Pre-sale eligibility and point-of-transaction control record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
SUP-02 Sales solicitation negotiation and referral boundary	Define permitted and prohibited activities for licensed and unlicensed staff, referrals, service centers, digital journeys, chatbots, and AI agents.	Sales solicitation negotiation and referral boundary record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
SUP-03 Commission fee compensation and disclosure control	Validate payee, license and appointment status, transaction period, jurisdiction, commission, fee, sharing, disclosure, and exception before payment.	Commission fee compensation and disclosure control record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
SUP-04 Producer conduct complaint and corrective action	Connect producer complaints, monitoring, sales reviews, suitability, replacements, disclosures, marketing, remediation, discipline, and regulator reporting.	Producer conduct complaint and corrective action record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date

Data Systems Security and Third Parties

Accountable owner: Chief Information Security Officer

PRACTICE	PURPOSE	EVIDENCE
SYS-01 Producer master data quality lineage and reconciliation	Govern authoritative producer records, identifiers, effective dates, sources, edits, lineage, duplicates, exceptions, and reconciliation across systems.	Producer master data quality lineage and reconciliation record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
SYS-02 NIPR PDB state carrier and agency integration	Control interfaces with NIPR, Producer Database, state portals, carrier administration, HR, identity, CRM, policy, commission, training, and vendor systems.	NIPR PDB state carrier and agency integration record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
SYS-03 Access privacy security retention and evidence	Protect personal and background information with purpose limits, least privilege, secure transfer, immutable history, retention, legal holds, and audit trails.	Access privacy security retention and evidence record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
SYS-04 Vendor exam education screening and service controls	Hold licensing, examination, education, background, fingerprint, appointment, and compliance providers to accuracy, security, changes, evidence, and continuity.	Vendor exam education screening and service controls record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date

Evaluation Monitoring and Improvement

Accountable owner: AI Assurance Lead

PRACTICE	PURPOSE	EVIDENCE
MON-01 Representative licensing scenario testing	Test representative individuals, entities, states, lines, activities, appointments, renewals, CE, adverse events, transfers, exceptions, and system failures.	Representative licensing scenario testing record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
MON-02 Timeliness accuracy fairness and consistency monitoring	Monitor eligibility, data quality, processing time, deadlines, exceptions, overrides, disparities, unlicensed activity, access, commissions, and drift.	Timeliness accuracy fairness and consistency monitoring record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
MON-03 Audit validation examination and evidence production	Independently assess control design, operating effectiveness, samples, AI-system evidence, records, findings, remediation, and examination readiness.	Audit validation examination and evidence production record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date
MON-04 Outcome capacity risk and continuous improvement	Measure compliance, consumer protection, producer experience, operational capacity, risk reduction, total cost, and realized value together.	Outcome capacity risk and continuous improvement record, producer and entity ID, state and line, carrier and agency, source and effective date, AI system or rule, result, exception, reviewer, approval, filing or action, and review date

Producer Licensing and Distribution Reviews

REVIEW	CORE EVIDENCE
Eligibility	Identity, role, activity, product, state, line, appointment, training, restrictions, effective dates, sources, and exceptions.
Lifecycle	Applications, deficiencies, renewals, CE, reinstatements, appointments, terminations, changes, adverse events, and filings.
Distribution control	Pre-sale gates, access, referrals, compensation, disclosures, complaints, conduct, overrides, and unlicensed activity.
Outcomes	Reconciliations, producer experience, consumer protection, examinations, compliance, cost, risk, and realized value.

Sources

NAIC Producer Licensing Model Act 218

NAIC State Licensing Handbook

NAIC Producer Licensing Task Force

NAIC Model Bulletin on the Use of AI Systems by Insurers

NIPR Licensing Center

NAIC Model Laws

NIST Artificial Intelligence Risk Management Framework 1.0