

BULLETIN NO. 2008-03

**REQUIRED REPORTING BY INSURANCE COMPANIES
OF AGENT DISPLINARY ACTIONS
PURSUANT TO THE
MILITARY PERSONNEL FINANCIAL SERVICES PROTECTION ACT**

(Effective March 21, 2008)

The purpose of this Bulletin is to advise Ohio-licensed insurance companies to use the National Association of Insurance Commissioners' (NAIC) *Military Sales Online Reporting System* (MSORS) to report any disciplinary actions required to be reported pursuant to Section 12 of the *Military Personnel Financial Services Protection Act* (Act), which was signed into law on September 29, 2006.

Section 12 of the Act provides that, beginning one year after the date of enactment, insurance companies are prohibited from entering into or renewing a contractual relationship with an insurance agent or other person who sells or solicits any life insurance product on any military installation unless the insurer has implemented a system to report disciplinary actions taken by

(i) the insurer; or (ii) any federal or state government entity against the insurer's agents for conduct occurring on a military installation. The insurer is required to report any such disciplinary actions to both its domiciliary regulator and to the agent's resident regulator, if different.

To simplify the federal reporting requirement for insurers and in cooperation with state regulators, the NAIC has implemented MSORS. The system may be accessed at the following Web link: <https://external-apps.naic.org/msors/>. After reporting by an insurer, MSORS will forward the reported information to all appropriate state insurance departments. By using MSORS, insurers will be able to comply with the federal reporting mandate and state regulators will have ready access to the information.

Therefore, all insurers doing business in the State of Ohio are hereby notified that they are required to use the NAIC *Military Sales Online Reporting System* to report the disciplinary actions taken against their agents. Insurers should be prepared, upon request, to demonstrate compliance with this reporting requirement.



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