

DESCRIPTION OF NIPR AND SIRCON SERVICES

NIPR – The National Insurance Producer Registry

Incorporated in October 1996, the National Insurance Producer Registry (NIPR) is a non-profit affiliate of the National Association of Insurance Commissioners (NAIC). NIPR developed and implemented the Producer Database (PDB) and Electronic Appointments/Terminations (formerly PIN). NIPR is governed by a board of directors structured to include five members representing the NAIC and four industry members representing a cross section of the insurance industry.

The Mission of NIPR is to be the premier public-private partnership supporting the work of the states and the NAIC in reengineering, streamlining and making uniform the insurance producer licensing process for the benefit of regulators, insurers, producers and consumers.

The PDB is an electronic database consisting of information relating to insurance agents and brokers (producers). The PDB links participating state regulatory licensing systems into one common repository of producer information. The PDB also includes data from the Regulatory Information Retrieval System (RIRS) to provide a more comprehensive producer profile. The key benefits of PDB are:

- Financial/Time Savings
- Reduction in Paperwork
- Real Time Information
- Verify License and Status in All Participating States
- Ease of Access via the Internet
- Single Source of Data vs. Multiple Web Sites

The NIPR Gateway is a communication network that links state insurance regulators with the entities they regulate to facilitate the electronic exchange of producer information. Data standards have been developed for the exchange of license application, license renewal, appointment and termination information. All data flowing over the NIPR Gateway will conform to these standards. The key benefits of NIPR Gateway are:

- Reduction in paperwork and data entry
- Development of national standards regarding electronic transmission of licensing data
- Faster turnaround time

SIRCON SERVICES

Sircon Corporation is an Authorized Business Partner of NIPR. Sircon is licensed by NIPR to process online insurance transactions through the NIPR Gateway. Authorized and Licensed Business Partners of NIPR are required to apply all data standards prescribed by the NAIC and NIPR for company appointments and terminations, producer license applications, producer license renewals, company appointment reconciliations, downloading the National Producer Number (NPN) and processing producer demographic changes.

In addition to compliance with all NAIC and NIPR producer licensing initiatives, Sircon Corporation has developed additional value added services for insurance companies and producers. For example, Sircon supports over 200 different state license applications not currently offered by NIPR. Therefore, when a producer accesses the National PIA Sircon Services Website, he or she will enjoy the broadest range of online licensing services available in the industry. Sircon continues developing and releasing new producer licensing functionality, applications and services on a weekly basis.

Sircon electronic producer management and licensing services are currently used by over 1,400 insurance companies and 200,000 individual producers. Fifteen of the top twenty insurance companies in America are Sircon Subscribers.

Sircon license transactions processed in client states or those states using Sircon solutions to automate the State Insurance Department are processed in real time. For example, if a producer from any state submits a license application to any one of our 14 client states, the application is received by the Insurance Department within seconds after the producer submits his or her application.

Additional information regarding the relationship between NIPR and Sircon:

Sircon's products and services are endorsed by the NAIC through the NIPR, which offers a significant financial subsidy through Sircon to the States that adopt Sircon's services in conjunction with NIPR's services and national initiatives.

Example: The Minnesota Insurance Department will receive a \$100,000 subsidy from NIPR for implementing the Sircon for States Regulatory Management System. The subsidy will be used to offset costs incurred in purchasing the Sircon for States solution.