

Let's Improve Access to Financial Protection

Practical Steps to Identify & Remove Unnecessary Barriers to Producer Licensure

Removing barriers to producer licensing will strengthen the talent pipeline for diverse, well-qualified and vetted candidates. It will expand access to financial security products to more communities and help close the coverage gap that affects low- and middle-income families.

The American Council of Life Insurers, the National Association of Insurance and Financial Advisors, and FINSECA have created a workplan to remove barriers to the producer licensing process.

Additional Language Licensing Exams & Materials

- State insurance departments are encouraged to expand non-English language options for insurance licensing exams, including the most spoken languages within their states. For most states, this includes Spanish.
- Providing producer license exams in Spanish will enable more Hispanic agents to enter the profession and serve their communities.

Removal of Mandatory Pre-Licensing Education Hours

- Pre-licensing mandates serve as barriers to entry into the industry. This can include requiring excessive or unnecessary commitments of time, money and methods of study that discourage applicants who might also be caregivers, considering insurance as a second career, or who come from non-traditional educational backgrounds.
- By removing the mandates, candidates can study in a way that fits their needs and situation.

Improvement to Background Checks and Waivers

- Streamlining the availability of related documents on department websites, processes, applications and even fees that lack uniformity found in other areas of the licensing process will help save candidates time and money as they determine if the process for becoming a financial professional is right for them.

Producer Exam Performance & Pass Rates

- There are only seven states that annually prepare and publish licensing exam pass rates by demographic, including race/ethnicity.
- The data suggests that exam rates across all demographics are declining. It's critical that exams remain entry-level and that national vendors are monitored appropriately to avoid incentivizing higher fail rates, and subsequent higher retake attempts.

Expanding Mentorship to Increase Talent Retention

- Improving training and retention rates within the profession is critical to connecting families with financial security products.
- Over half of current producers are 55+, with many expected to consider a business transition plan in the next 10 years, leaving uncertainty in the workforce.
- Encouraging strong support systems for new producers can ensure more of them transition into lifelong practitioners. Additionally, improvement in onboarding and increased access to peer support groups, either internally or through industry association membership, has substantial potential for driving change.

