

IMPORTANT UPDATE – AUGUST 28, 2006

As you are aware, the National Insurance Producer Registry (NIPR) has been unable to transmit data received through their on-line application process to the Oklahoma Insurance Department. This resulted in records being pended within the NIPR system instead of being transmitted to the Department, causing delays in the issuance of some licenses. While the technical difficulties that are causing records to be pended are being corrected by NIPR, we have developed an interim solution to prevent future delays to the licensure process.

Over the past few days, the Oklahoma Insurance Department has received over 25,000 records from NIPR. These records were created from on-line transmissions received by NIPR during the period of July 20th through August 24th, 2006 and represent transactions for new licenses, renewals, new appointments and appointment terminations.

In order to expedite processing of these transactions, the Oklahoma Insurance Department is posting a current effective date to each record versus the requested effective date made at the time of transaction with NIPR. We recognize that these altered effective dates may cause it to appear that a company's appointment process is non-compliant with regulatory requirements. Please be assured that all records will be duly noted as altered by the Department and will not reflect negatively upon companies at the time of examination.

Additionally, please know that we have been aggressive and relentless in our insistence that NIPR recognize their system failure and correct the problem. We will continue to monitor their progress and assert whatever pressure is necessary to bring about a permanent resolution. I apologize to those inconvenienced by the NIPR system problems, and trust our interim solution will prevent any future processing delays. Please feel free to contact me personally by phone or email if you have any questions or concerns.