



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
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February 11, 2014

**Mr. A. Mark Slater, Jr.
P.O. Box 22547
114 Lee Parkway Drive
Chattanooga, TN 37421**

Re: Interpretive Opinion No. 01-14, Call Center Employee Licensure

Dear Mr. Slater,

This letter is written in response to your inquiry submitted, on or around January 10, 2014, to Tony Greer, Chief Counsel for Insurance with the Insurance Division of the Tennessee Department of Commerce and Insurance ("Division"). Your inquiry requested clarification on whether certain call center employees require insurance producer licensure to complete administrative and support tasks related to customer enrollment in insurance policies.

Specifically, your letter asked the Division whether call center employees processing mass marketed group property coverage opt in/out requests from Water and Wastewater Utilities and Municipalities ("Utilities") customers require insurance producer licensure.

The facts are understood by the Division as follows: Sunbelt Insurance Group ("Sunbelt") serves as the broker agency working on behalf of the insurer, Hanover Insurance ("Hanover"), to provide mass marketed group property plans to the customers of Hanover's client, the Utilities. The coverage options available are pre-selected by the Utilities and their customers may choose to opt in or out of the provided coverage. In many circumstances, depending on the coverage structure selected, the Utilities' customers must call your call center in order to opt in/out of the pre-contracted coverage plans. The employees processing these requests at the call center do not have insurance producer licenses. Further, these individuals are Sunbelt employees, not employees of the insurer itself. The call center employees perform administrative services in connection with these group property plans but receive no commissions from their work in the call center. Upon the request of Utilities' customers, these employees are specifically tasked with removing individuals from the group plan, enrolling individuals in the group plan, and providing information, explanations, and options about the group plan. The call center employees must also communicate participant changes to the Utilities and Hanover for billing purposes as part of their position with Sunbelt.

It is the current position of the Division that under certain defined circumstances, individuals may be exempt from the insurance producer licensing requirements pursuant to the Enroller's Exemption as provided by Tenn. Code Ann. § 56-6-104(b)(2) (2013), which states in pertinent part:

(b) A license as an insurance producer shall not be required of the following:

(2) A person who secures and furnishes information for the purpose of group life insurance, group property and casualty insurance, group annuities, group or blanket accident and health insurance; or for the purpose of enrolling individuals under plans, issuing certificates under plans or otherwise assisting in administering plans, or performs administrative services related to mass marketed property and casualty insurance, where no commission is paid to the person for the service.

Individuals who provide information about group insurance policies, enroll consumers under plans, and assist in the administration of mass marketed plans are exempted from insurance producer licensing requirements, provided the individual receives no commission. Tenn. Code Ann. § 56-6-104(b)(2). The Sunbelt call center employees at issue here enroll or remove customers from mass marketed group property plans. The call center employees additionally provide plan information to enrollees upon request. Under these occupational requirements, these call center employees do not need insurance producer licenses to perform their employment obligations. Based on the facts provided, these employees are exempt from the insurance producer licensing requirement pursuant to the Enroller's Exemption.

Please note that the Division has not made an independent investigation of the facts to determine the accuracy or completeness of the information supplied, but has instead relied solely upon the information you have provided. If such information is incorrect or changes substantially, it would be necessary for the Division to reconsider the matter and the position stated herein would be void. This letter expresses the Division's position on enforcement action only and does not purport to express legal conclusions on the issues presented. This position is furnished solely for the benefit and use of the entities described herein. Please be advised that further publication or use of this position may only be made with the Division's prior written consent.

This response by the Division is to a specific fact situation relating to call center employee licensure requirements regulated under the Insurance Producer Licensing Act and should not be construed as a legal position or opinion of the Commissioner of the Tennessee Department of Commerce and Insurance or of any other official in the Department. Please note that the conclusions contained herein are based upon the representations that have been made to the Division, and any different facts or conditions might require a different response. As each inquiry is reviewed on the specific facts presented, this response is based only on such facts and may not be used as precedent by any person or entity. Any variation in the facts presented to the Division by A. Mark Slater, Jr. could result in a different conclusion than asserted herein.

If you have further questions or concerns regarding this letter, please feel free to contact me.

Nancy S. Jones,
Deputy Commissioner and General Counsel

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