Written Statement of
The Council of Insurance Agents & Brokers
Before
The House Financial Services Committee
Subcommittee on Insurance, Housing and Community Opportunity
Regarding
Insurance Oversight: Policy Implications for U.S. Consumers, Businesses and Jobs
July 28, 2011

The Council of Insurance Agents and Brokers represents the nation's leading insurance agencies and brokerage firms. Council members specialize in a wide range of insurance products and risk management services for business, industry, government, and the public. Operating both nationally and internationally, Council members conduct business in more than 3,000 locations, employ more than 120,000 people, and annually place more than 80 percent – well over $200 billion – of all U.S. insurance products and services protecting business, industry, government and the public at-large, and they administer billions of dollars in employee benefits. Since 1913, The Council has worked in the best interests of its members, securing innovative solutions and creating new market opportunities at home and abroad.

Our testimony today will focus on two critical issues of importance to Council members and their commercial customers – implementation of the surplus lines reform provisions that were included in the Non-Admitted and Reinsurance Reform Act passed last year as part of the Dodd-Frank Wall Street Reform Act (discussed in Section 1 below) and enactment of "NARAB 2" licensure reform (discussed in Section 2 below).

Surplus lines reform was heavily championed by both the insurance agent/broker community and the commercial insureds who are the primary utilizers of surplus lines insurance products. The fundamental thrust of the reform provisions was to require that only a single set of regulations govern a surplus lines transaction – those of the insured's "home state." This was accompanied by Congressional support for the creation of a single, State-based surplus lines regulatory system that would include a harmonious tax payment and allocation mechanism. As of July 21st – the effective date of the NRRA provisions – the States, however, have done everything but create any such harmonious and rationale regulatory system. Indeed, nine States have agreed to enter into a compact (the "Surplus Lines Insurance Multistate Compliance Compact" or "SLIMPACT") that would be designed to create a single comprehensive surplus lines regulatory regime (including a tax allocation mechanism) [1] but another eleven States (and Puerto Rico) have opted to enter into a separate, stand-alone tax sharing agreement (the "Nonadmitted Insurance Multi-State Agreement" or "NIMA").[2]

Because of the inability of the States to reach a consensus, nine of the largest States – California, Idaho, Illinois, Minnesota, Missouri, New York, Pennsylvania, Virginia and Washington – opted out of any tax allocation system and will retain 100 percent of the surplus lines premium taxes that will be paid by their "home state" insureds. The core NRRA surplus lines directive essentially orders this result and it is a result that will be the most administratively and economically efficient. The remaining twenty-one States (and the District of Columbia) are still evaluating – in one form or another – how best to proceed. We have sent letters to all of those States, asking them to follow California, Illinois, New York, Pennsylvania and the other States who have opted out of the dysfunctional sharing mechanisms and to each create a simple, single-state regulation and taxation mechanism. We ask you to urge them to do the same.

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[1] Alabama, Indiana, Kansas, Kentucky, New Mexico, North Dakota, Rhode Island, Tennessee and Vermont.

[2] Alaska, Connecticut, Florida, Hawaii, Louisiana, Mississippi, Nebraska, Nevada, South Dakota, Utah, Wyoming and Puerto Rico.

Discussion

1. Surplus Lines Insurance Regulatory Reform

Surplus lines insurance provides coverage for unique, unusual or very large risks for which insurance is unavailable in the admitted market. A surplus lines product is an insurance product sold by an insurance company that is not admitted to do business in the state in which the risk insured under the policy is located. In essence, the insured goes to wherever the insurance company is located to purchase the coverage. The insurer may be in another state, or it may be in Great Britain, Bermuda or elsewhere. Potential insureds can procure this insurance directly, but they generally do so through their insurance brokers. In short, "surplus lines" are: (1) insurance products sold by insurance carriers that are not admitted (or licensed) to do business in a state, (2) to sophisticated commercial policyholders located in that state, (3) for insurance coverages that are not available from insurers admitted (or licensed) to do business in that state. Surplus lines products tend to be more efficient and a better fit for commercial coverages because they can be tailored to the specific risk profiles of insureds with specialized needs.

Surplus lines insurance is universally recognized as an important component of the commercial property and casualty insurance marketplace in all states, and commercial property and casualty business is done increasingly through the surplus lines marketplace.

Although the purchase of surplus lines insurance is legal in all states, the regulatory structure governing such coverage on a multistate basis is a morass. This is primarily because, prior to July 21st, if a broker placed a surplus lines product for a commercial client that had insured exposures in 50 states, that transaction was separately regulated by each of those 50 states. Although the nature of that regulation was essentially the same from state to state, the specifics could differ greatly, compounding the problems related to the necessity of complying with as many as 55 different sets of rules for a single transaction.[3]

[3] As a general matter, state surplus lines regulation falls into five categories: (i) taxation; (ii) declinations (requiring brokers to demonstrate that the surplus lines product is not available in the admitted market in

The Nonadmitted and Reinsurance Reform Act (NRRA) – enacted into law in July 2010 as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) – changed all of that by limiting the regulatory authority over a surplus lines transaction to the home state of the insured and by setting federal standards for the collection of surplus lines premium taxes, insurer eligibility, and commercial purchaser exemptions. Most of the provisions of the NRRA went into effect last week – on July 21st.

The goal behind the NRRA was not to federalize regulation of surplus lines insurance, nor was it to deregulate. Rather, the intent was to bring about common sense reforms of surplus lines rules at the state level – maintaining state regulation but creating a structure that does away with the conflicting, overlapping rules that made compliance difficult and, in fact, impossible in some instances.

Given the fact that the law was enacted a year ago (after being passed by the House six (?) times in the past four Congresses), and went into effect just last week, one would think the states would be well-prepared for implementation of the NRRA's reforms and a smooth transition to the new rules. Unfortunately, that is far from the case. As with so many opportunities to maintain strong regulations and consumer protections while reforming state insurance regulations to reflect the realities of the modern insurance marketplace, the states have failed to act in a timely, uniform fashion.

To be clear, the provisions of the NRRA that went into effect automatically are in place and providing benefits to both consumers and brokers. Although the states retain the authority to enforce these requirements, the federal law requires that the states follow the federal standards. These include:

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the State); (iii) insurer eligibility (setting rules on the standards a carrier must meet to permit a broker to place a surplus lines policy with that carrier); (iv) regulatory filings; and (v) producer licensing and related issues.

Surplus Lines Insurer Eligibility Requirements: As of July 21, 2011, a surplus lines insurer is subject only to the eligibility requirements of the insured's home state: if the insured's home state does not have insurer eligibility requirements, no such requirements apply; if, however, the home state does have insurer eligibility requirements, they must comply with NRRA. Moreover, eligibility requirements themselves are now uniform across the country (in those states that have them) because the NRRA prohibits states from imposing eligibility requirements on surplus lines insurers except for (i) standards that conform with the NAIC's Non-Admitted Insurance Model Act or (ii) "nationwide uniform requirements, forms and procedures" enacted pursuant to a compact or other agreement among the states.

Exempt Commercial Purchaser Requirements: The NRRA establishes a "commercial purchaser" exemption standard that is applicable in every state. As of July 21, no diligent search in the admitted market is required (and, therefore, a broker can go directly to the surplus lines market) to place a policy for an exempt commercial purchaser if (i) the broker has disclosed to the exempt commercial purchaser that coverage may be available from the admitted market, which may provide greater protection with more regulatory oversight; and (ii) the exempt commercial purchaser has requested in writing that the broker procure/place such coverage with a surplus lines insurer. The term "exempt commercial purchaser" and related terms are defined in NRRA and uniform in every state.

Note that a number of states currently have exemptions for commercial purchasers (called "industrial insureds" in many states). Those exemptions are not preempted by the NRRA. Thus, in those states, if the "industrial insured" exemption is retained, there could be two classes of exemptions: one for entities that meet the NRRA exempt commercial purchaser requirements and one for entities that meet the individual state's industrial insured exemption.

Broker Licensing: As of July 21, a surplus lines broker needs only one surplus lines producer license to place a surplus lines policy – a license (resident or non-resident) in the insured's home state. This is because the NRRA allows only the home state of the insured to impose regulations on a surplus lines transaction. Thus, no state except the home state of the insured can require that a surplus lines broker be licensed in order to sell, solicit, or negotiate surplus lines insurance with respect to the insured.

The NRRA provides a strong incentive to the states to further streamline broker licensing by encouraging the states to use the NAIC's uniform producer licensing applications for surplus lines producers and to license surplus lines brokers electronically through the National Insurance Producer Registry (NIPR). This is because the federal law prohibits a state from collecting fees relating to the licensing of a surplus lines broker or business entity unless the state participates in the NAIC's national insurance producer database for surplus lines producer licensure by July 21, 2012.

That is the good news. In the one area where the states were given leeway in terms of implementation – surplus lines premium taxation – the news is not so good. The states have failed to take advantage of the opportunity offered by NRRA to implement a nationwide, uniform approach that would allow for easier, more certain compliance for brokers, leading to reduced administrative costs, and savings for consumers, as well as regulators.

The NRRA permits only the home state of the insured to require payment of premium taxes in connection with a surplus lines transaction. In a nod to the then-current practices in many states, which imposed surplus lines premium tax in proportion to the location of the risks, the federal law permits states to enter into a compact "or otherwise establish" procedures to allocate taxes among themselves. The intent was to allow the states to simplify the tax filing and payment requirements for brokers and insureds, while still permitting the states to share taxes if they so chose.

Unfortunately, the states have taken advantage of the flexibility of the federal law without making a serious attempt to create the single set of "nationwide uniform requirements, forms, and procedures" envisioned in the NRRA. Led by the state insurance regulators, through the National Association of Insurance Commissioners (NAIC), and the state legislators, through the National Conference of Insurance Legislators (NCOIL), the states have developed competing approaches to surplus lines premium tax.

The state insurance regulators, through the NAIC, created NIMA (the Nonadmitted Insurance Multi-State Agreement), which provides for tax allocation and sharing among signatory states (and prohibits allocating with non-signatory states), and includes a highly detailed premium tax allocation formula that imposes data demands on brokers and insureds that appear to exceed even the most stringent requirements previously imposed by states. Eventually, a central clearinghouse will be created for the payment and allocation of taxes to NIMA states. To date, NIMA has been signed by 11 states and Puerto Rico.[4]

NCOIL has pushed hard for enactment of the Surplus Lines Insurance Multistate Compliance Compact (SLIMPACT). SLIMPACT takes an approach that is both more comprehensive and less defined than NIMA to satisfy the reforms provided for in the NRRA. SLIMPACT is more comprehensive because it addresses not only the tax collection and allocation issues, but also the other regulatory issues addressed in NRRA such as insurer eligibility, insured "home state" determinations, commercial purchaser exemptions, and so forth. At the same time, SLIMPACT is less defined because, although it establishes a clearinghouse for tax payment and allocation, the agreement itself does not establish standards for the clearinghouse or all the regulatory issues it covers. Instead, the compact creates a commission comprised of the compacting states that will, essentially, have authority to set standards and make decisions in connection with these surplus lines regulatory policy issues.

[4] Alaska, Connecticut, Florida, Hawaii, Louisiana, Mississippi, Nebraska, Nevada, South Dakota, Utah, Wyoming and Puerto Rico.

Like NIMA, however, SLIMPACT has a minority of states participating. In fact, only nine states to date have enacted SLIMPACT and no states have "contracted" with the Compact, so officially, it is unable to take action.[5]

Taken together, SLIMPACT and NIMA involve 20 states and one territory. That leaves 30 states, plus the District of Columbia and remaining territories, who are taking alternative approaches to implement the NRRA's tax standards. In fact, the states have come up with at least four different approaches to taxing surplus lines premium:

(1) Pro-Rata States:[6] These states currently impose tax only on the portion of the risk located in the state. This means that, for transactions on and after July 21, if one of these "Pro-Rata States" is the home state of the insured, the broker will be required to pay tax only on the portion of the risk located in the insured's home state. This group consists of two types of states (1) states that have not changed their premium tax laws to conform to the NRRA by the July 21 deadline (which must, nonetheless, comply with the NRRA's requirement that only the home state of the insured may require surplus line premium tax payments)l and (2) states that have changed their laws to authorize entering into an agreement or compact but have not yet done so, and that, in the meantime, have left their current pro rata approach to taxation in place.

(2) 100% Retention States:[7] As of July 21, a number of states tax 100% of the premium on surplus lines policies and do not allocate the taxes to other states where covered risks are located. This means that, for transactions on and after July 21, if one of these "100% Retention States" is the home state of the insured, the broker is required to pay tax to the home state of the insured on the entire amount of the premium, most likely at the home state's tax rate.

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[5] Alabama, Indiana, Kansas, Kentucky, New Mexico, North Dakota, Rhode Island, Tennessee and Vermont.
[6] Colorado, District of Columbia, Iowa, Michigan, South Carolina, and Wisconsin.
[7] California, Idaho, Illinois, Minnesota, Missouri, New York, Pennsylvania, Virginia and Washington.

There are also a number of states that will tax 100% of the premium unless/until the state enters into a compact or agreement to allocate the tax.[8] (For example, Arkansas requires payment of 100% of the premium tax to the state at the state's surplus lines premium tax rate of 4% unless the insurance commissioner enters into NIMA. At that time, taxes will be paid in accordance with NIMA.)

(3) NIMA States:[9] As discussed above, 11 states have signed on to NIMA. It is not yet known when NIMA's clearinghouse will be operational. In the meantime, if a "NIMA State" is the home state of the insured, the broker presumably will be required to follow NIMA's allocation and reporting requirements. Having said that, guidance from the states has been limited. Because the NIMA clearinghouse is not yet operational, further guidance from the NIMA states will be needed so that brokers know the proper procedures to follow for tax payment, reporting and allocation until the clearinghouse is functional.

In states that are authorized to enter into NIMA but have not done so, brokers should look to the laws of each state to determine premium tax payment requirements until such time as the state has entered into NIMA.

(4) SLIMPACT States:[10] As discussed above, only nine states have enacted SLIMPACT legislation and no states have "contracted" with SLIMPACT to use the Compact to allocate taxes. SLIMPACT's clearinghouse will not be operational until at least July 2012. In the meantime, brokers and insureds have to look to the home state of the insured for guidance as to how to pay applicable taxes, including the rates and allocation formulas, if any. The rules and allocation formula for SLIMPACT are currently being drafted, but cannot come into effect until the Compact itself has at least 10 states participating.

[8] Arizona, Arkansas, Delaware, Georgia, Maine, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Texas, and West Virginia.
[9] Alaska, Connecticut, Florida, Hawaii, Louisiana, Mississippi, Nebraska, Nevada, South Dakota, Utah, and Wyoming (and Puerto Rico).
[10] Alabama, Indiana, Kansas, Kentucky, New Mexico, North Dakota, Rhode Island, Tennessee and Vermont.

> Because the SLIMPACT Commission will not have established compliance rules and the SLIMPACT clearinghouse will not be operational by July 21, further guidance from the SLIMPACT states will be needed so that brokers know the proper procedures to follow for tax payment, reporting and allocation until the clearinghouse is functional.

A chart is attached illustrating the tax allocation formula currently being employed by each State as of the July 21st implementation date by regime type as outlined above.

In addition to the general confusion raised by the multiple state tax approaches, some of the specific decisions by the states (or the lack of decisions in some cases) have caused compliance problems for brokers and insureds during the transition period leading to the July 21 effective date, and have the potential to cause greater problems going forward.

For example, in enacting their new surplus lines premium tax laws, many states, whether intentionally or not, ignored the NRRA's July 21 compliance date. These state laws became effective weeks or months before July 21. Thus, instead of all the states enacting the new "home state" tax rules on a single date, the laws came into effect piecemeal. This led to needless complications for brokers and insureds seeking to comply with the laws. Florida's law, for instance, went into effect on July 1 (as did a number of other states). As of that date, all surplus lines transactions involving insureds whose home state is Florida were required to pay 100% of the premium tax to Florida. Because the NRRA was not yet in effect, however, other states still imposed tax on the portion of non-residents' risks located in their states. As a result, brokers and insureds were subjected to double taxation on those policies.

In addition to the double-taxation issue, many state laws are simply not clear with respect to the rates to be applied. Is the home state rate applied to the entire premium?

Or are multiple rates to be applied depending upon the location of the risk? This is particularly problematic during the transition periods: for NIMA and SLIMPACT states, those are the periods between the time their laws became effective and the time that NIMA and SLIMPACT actually become operational; for other states, that may be the period between the effective date of the applicable state's law and July 21, or it could be the period between July 21 and the date the state decides to enter (or not) NIMA or SLIMPACT.

Other questions remain unanswered, further illustrating the states' lack of preparation despite ample time:

Will 100% retention states require filing of allocation reports?

Absent a functioning clearinghouse, how will brokers calculate and pay premium taxes in the NIMA states?

In conclusion, despite the states' remarkable inability to take advantage of a prime opportunity to show they can work together to modernize and streamline regulation to both protect consumers and reflect current market realities, surplus lines regulation is today a more streamlined, efficient system than the pre-NRRA world, where each state taxed the risk located within its borders. Moreover, because of the federal law's home state mandate, there is less risk of state laws conflicting and thereby preventing brokers and insureds from full compliance.

2. NARAB 2 and Producer Licensure Reform

States have been able to make some concrete progress in their regulatory reform efforts in the producer licensing area – thanks to the enactment of the NARAB provisions included in the Gramm-Leach-Bliley Act (GLBA). NARAB-compliance notwithstanding, there remain several problem areas in the interstate licensing process that impose unnecessary costs on our members in terms of both time and money. Our trade association formed its first task force to work on non-resident agent/broker licensing reforms more than 70 years ago. We therefore are very supportive of the incremental reform bill introduced by Representatives Randy Neugebauer and David Scott that is commonly called "NARAB II," which would create an interstate producer licensing clearinghouse and which has been approved several times by the full House Financial Services Committee.

The NARAB provisions included in GLBA required that at least 29 states enact either uniform agent and broker licensure laws or reciprocal laws permitting an agent or broker licensed in one state to be licensed in all other reciprocal states simply by demonstrating proof of licensure and submitting the requisite licensing fee.

After enactment of GLBA, the NAIC pledged not only to reach reciprocity, but ultimately to establish uniformity in producer licensing. The regulators amended the NAIC Producer Licensing Model Act (PLMA) to meet the NARAB reciprocity provisions, and their goal is to get the PLMA enacted in all licensing jurisdictions. As of today, nearly all the states have enacted some sort of licensing reform, and the NAIC has officially certified that a majority of states have met the NARAB reciprocity requirements, thereby averting creation of NARAB. This is a good effort, but problems remain; there is still much work to be done to reach true reciprocity and uniformity in all licensing jurisdictions.

Most states retain a variety of individual requirements for licensing, and they all differ with respect to fees, fingerprinting and certifications, among other requirements. Even more problematic are the disparities among the states regarding business entity licensing. While the NAIC's Producer Licensing Model Act did bring some uniformity to the producer licensing process, it still left many of the decisions regarding the licensing process to the individual states. Most of the states have enacted the entire PLMA, but a number of states have enacted only the reciprocity portions of the model. Of the states that have enacted the entire PLMA, several have deviated significantly from the model's original language. One state has enacted licensing reform that in no way resembles the PLMA. And two of the largest states in terms of insurance premiums written, Florida and California, have not enacted legislation designed to meet the NARAB reciprocity threshold at all.

The inefficiencies and inconsistencies that remain in producer licensing affect every insurer, every producer and every insurance consumer. Many Council member firms continue to hold hundreds of resident and non-resident licenses across the country. One of the larger members of The Council holds almost 50,000 resident and non-resident licenses for 5,400 individual producers, and approximately 3,400 resident and non-resident business entity licenses for itself and its subsidiaries/affiliates. My firm and our individual producers hold a total of thousands of licenses. And this is not a "once and done" deal – state licenses, by and large, must be renewed annually throughout the year, based upon the individual requirements in each state, and there are continuing regulatory requirements and post-licensure oversight that must be attended to, as well. As you can imagine, this requires significant monetary and human resources from each and every producer. This is especially frustrating because, let's face it, the incremental consumer protection value of the tenth or hundredth or thousandth or 50,000th license is questionable, at best.

In addition to the lack of full reciprocity in licensing procedures for non-residents, the standards by which the states measure compliance with licensing requirements differ from state to state, as well. These include substantive requirements – pre-licensing education, continuing education and criminal background checks, for example – as well as administrative procedures such as agent appointment procedures and license tenure and renewal dates.

It also applies to interpretation and application of statutory language. For example, as I have mentioned, most of the states have enacted new producer licensing laws based in whole or part on the NAIC's Producer License Model Act, which was adopted by that organization in 2000. Yet twelve years later, the regulators still cannot agree on the meaning of basic – yet critical – terms that are present in every state law, such as what it means to "sell," "solicit" and "negotiate" insurance. Nor can they agree on the meaning of other critical provisions of the law – even when the language in their individual state provisions is identical – word for word. While these may seem like small issues – and individually they may be – taken as a whole, they are significant. It is a bit like Senator Dirksen's take on congressional about spending, but instead of "a billion here and a billion there," we are talking about a regulation here and a rule there.

In addition to the day-to-day difficulties the current regulatory regime imposes, this inconsistent application of law among the states inhibits efforts to reach full reciprocity in producer licensing. As noted above, several states have failed to adopt GLBA-compliant reciprocal licensing regimes, including California and Florida. These states, in large part, are disinclined to license as a non-resident a producer whose home state (they believe) has "inferior" licensing standards to their own, even a state with similar or identical statutory language. Thus, they are not reciprocal because they do not trust their fellow states to sufficiently regulate producers. This strikes us as indefensible – regulators defending the system of state regulation of insurance while essentially admitting that consumers in some states benefit from stronger oversight than others.

A third major area in need of streamlining is the processing of license applications. Although a uniform electronic producer licensing application is now available for use in many states – arguably, the biggest improvement in years – several states, including Florida, do not use the common form, and even in states that use the form, there is no common response mechanism. Each state follows up on an application individually, which can be cumbersome and confusing.

More problematic is the fact that every state requires the filing of "additional information" if an applicant responds affirmatively to certain background or other questions on an application. Council members have no objection to the regulators looking into the background of a producer applicant and asking for explanatory information if, for example, a producer has had regulatory or legal issues in the past. We hold ourselves to the highest standards and think the regulators should, as well. Our objection is with the repetitiveness and burdensome nature of the process. The NAIC maintains a regulatory actions database that state regulators should be able to access regarding questions about a producer's prior regulatory or legal issues. They should look to available resources of this nature first before continuing to bog down the licensing process with additional procedures.

Undeniably, progress in streamlining the producer licensing process has been made since GLBA's NARAB provisions were enacted in 1999, and the National Insurance Producer Registry (NIPR) is working diligently to overcome the burdens of the various state "business rules" and additional filing requirements. It is clear, however, that despite the revolutionary NARAB achievements, comprehensive reciprocity and uniformity in producer licensing laws remains elusive, and it does not appear the NAIC and the states are capable of fully satisfying those goals.

As we learned with GLBA and other federal legislation, when Congress acts, the NAIC and states listen. So movement on legislation in Washington will put pressure on the states to step up their own regulatory reform activity in an effort to stave off federal intervention. We are already seeing evidence of this at the NAIC, where, in the last year, regulators have jump started producer licensing reform efforts, and even constructively engaged with members of the House Financial Services Committee on proposed NARAB II legislation. We fully support their efforts and are working with the regulators to achieve results at both the state and federal levels.

Conclusion

As you can see from my testimony, the states continue to prove themselves unable to move towards regulatory uniformity and simplicity even when given a mandate by Congress. States continue to labor under an insurance regulatory system that was designed for the 1940s, when interstate commerce was far less prevalent. They should be adopting a regulatory system that not only takes advantage of technological advances to streamline the system but also recognizes the prevalence not only of interstate commerce but of international commerce. To do otherwise will continue to put the US at a competitive disadvantage as regulatory burdens bog down producers who should be assisting clients with complex risk management and insurance placements and not faxing forms to regulators or having multiple sets of fingerprints taken for background checks.

I appreciate the opportunity to share The Council's thoughts on insurance regulatory reform with you today, and would be happy to answer any questions you may have.

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Jurisdictions by Surplus Lines Tax Regime Type		
Last Updated 7/26/11		
100% Jurisdictions (24)		
No legal Authority to Allocate via Multi-State Agreement	**Legal Authority to Allocate via Multi-State Agreement, but Authority Not Yet Exercised**	**States Authorizing Studies of Multi-State Agreements (* denotes agreement authorized after study)**
CA	AR	AZ*
ID	MT	**DE*
IL	NH	GA*
MN	**NJ	ME*
MO	OK	MD*
NY	TX	MA* (public notice and comment required)
PA	WV	NC
VA		OH*
WA		
Total - 9	**Total - 7**	**Total - 8**
Pro Rata Jurisdictions (7)		
No legal Authority to Allocate via Multi-State Agreement	**Legal Authority to Allocate via Multi-State Agreement, but Authority Not Yet Exercised**	
CO	**OR	
DC		
IA		
MI		
SC		
WI		
Total - 6	**Total - 1**	

Jurisdictions with Tax Allocation Agreements (21)		
SLIMPACT	**NIMA**	
AL	AK	
IN	CT	
KS	FL	
KY	HI	
NM	LA	
ND	MS	
RI	NE	
TN	NV	
VT	PR	
	SD	
	UT	
	WY	
Total - 9	**Total - 12**	
** Denotes Legislation Not Yet Enacted - Awaiting Governor's Signature		