



April 25, 2007

Chiara Dolcino
New Hampshire Insurance Department
21 South Fruit Street
Suite 14
Concord, N.H. 03301

**PROFESSIONAL
INSURANCE
AGENTS**

Dear Ms. Dolcino:

The purpose of this letter is to submit comments relating to the initial proposal of Chapter Ins. 4300 – Fiduciary Obligation of Producers.

PIANH generally agrees with the changes proposed by the Insurance Department, and suggests that the department take the opportunity to address several questions that neither the current rule nor the proposed rule answer.

First, it is not clear whether an insurance producer may retain interest that accrues on funds maintained in an interest-bearing premium trust account. PIANH suggests that producers should be permitted to keep such accrued interest. The practice, which is permitted in other states, will not compromise the integrity of a premium trust account or threaten the availability of funds.

Second, it is not clear whether a producer is required to maintain his or her premium trust account in a bank that is located in New Hampshire. There is no practical need to prohibit a producer from maintaining an account in another state, presuming the producer and the account satisfy all the other requirements of proposed Ins. 4300.

PIANH also has two additional suggestions: (1) Proposed section Ins. 4301.03(e) could be deleted. The provision is unnecessary because its mandates are stated clearly elsewhere in the rule. (2) Sections Ins. 4301.04(c) and Ins. 4301.04(d) should be reconciled so that the rules set forth one clear standard for how to calculate a required minimum balance for a producer's premium trust account.

Sincerely,

Judy George, CIC
President, PIANH

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