

State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

For consumer assistance:
[Banking] 888-568-4547
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MEMORANDUM

To: Rep. Donna Sweaney, Chair, House Committee on Government Operations
Cc: Rep. Bill Botzow, Chair, House Committee on Commerce and Economic Development
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: March 10, 2014
Re: H. 681 - An act relating to the professional regulation for veterans, military service members, and military spouses and to credit for military service in retirement

Thank you for allowing The Department of Financial Regulation (DFR) to comment on H. 681. DFR supports the intent of H. 681, but recommends that DFR be removed from the definition of “professional regulatory entity.” The provisions of the bill dealing with licensing are difficult to apply to the various licensing programs under DFR’s authority. Additionally, there are laws and policies in place at DFR that already address some aspects of the bill.

Section 1(b)(1) of the bill requires agencies to include military experience and education when considering the qualifications of professional license applicants. Licenses granted within the insurance, banking, and securities industries are based mainly on national, standardized examinations. Applicants must study a body of knowledge that is specific to the license to which they are applying and score a “passing” grade as a pre-requisite for completing the licensing process. It is unlikely that an educational course received in the military would be identical to the curriculum for testing to become an insurance agent or securities sales person. While a military medic could arguably transfer skills and experience to a civilian emergency medical technician certification, the types of jobs in financial services that require a license, unfortunately, do not exist in the military.



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Section 2 of the bill concerns expedited temporary licenses by endorsement. DFR is usually able to issue a permanent license within 24-36 hours of a completed application so it would be a rare situation under which DFR receives a request for an emergency temporary license. In fact, in the time it would take to grant an emergency temporary license by endorsement, DFR would normally issue a permanent license. I also point out that 8 V.S.A. § 4813k(3) permits DFR to allow insurance producer licensees that are military service members to designate a person to hold a temporary license in order to maintain the service-member's book of insurance policies while they are deployed. This allows a service-member to maintain their business while they are away on active duty. Lastly, discretion is granted to the Commissioner to issue a license to a service member if circumstances do not allow sufficient time to accommodate licensure in the normal course of processing.

In conclusion, the DFR licensure process mainly relies on the passage of specialized and standardized national examinations by applicants; therefore, DFR suggests that it be removed from the definition of professional regulatory entity.

I am available at your convenience if you are in need of further explanation. Thank you.

