

SENATE BILL 29

C4

9lr0068

(PRE-FILED)

By: **Chair, Finance Committee (By Request – Departmental – Maryland Insurance Administration)**

Requested: October 15, 2018

Introduced and read first time: January 9, 2019

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 13, 2019

CHAPTER _____

1 AN ACT concerning

2 **Insurance – Licensure of Insurance Producers and Public Adjusters –**
3 **Continuing Education Requirements**

4 FOR the purpose of requiring insurance producers and public adjusters to complete the
5 continuing education required under certain provisions of law not later than a
6 certain number of days before the expiration of the license; requiring, rather than
7 authorizing, the Commissioner to adopt certain regulations; requiring that certain
8 regulations require providers of continuing education to submit certain evidence to
9 the Maryland Insurance Commissioner within a certain time period; requiring the
10 Commissioner to study and report on the adequacy and effectiveness of certain
11 course offerings to certain committees of the General Assembly on or before a certain
12 date; providing for a delayed effective date; and generally relating to the licensure of
13 insurance producers and public adjusters.

14 BY repealing and reenacting, with amendments,
15 Article – Insurance
16 Section 10–116 and 10–408
17 Annotated Code of Maryland
18 (2017 Replacement Volume and 2018 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
20 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1

Article – Insurance

2 10–116.

3 (a) (1) Subject to subsections (b) and (c) of this section, the Commissioner shall
4 require an insurance producer to receive continuing education as a condition of renewing
5 the license of the insurance producer.

6 **(2) AN INSURANCE PRODUCER SHALL COMPLETE THE CONTINUING**
7 **EDUCATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION NOT LATER**
8 **THAN ~~30~~ 15 DAYS BEFORE THE EXPIRATION DATE OF THE INSURANCE PRODUCER’S**
9 **LICENSE.**

10 **[(2)] (3)** (i) The Commissioner may not require an individual who
11 holds a license to receive more than 24 hours of continuing education per renewal period.

12 (ii) If the individual holds a title insurance producer license, the
13 Commissioner may not require the insurance producer to receive more than 16 hours of
14 continuing education per renewal period.

15 (iii) If an insurance producer has held a license for 25 or more
16 consecutive years as of October 1, 2008, the Commissioner may not require the insurance
17 producer to receive more than 8 hours of continuing education per renewal period.

18 (iv) The Commissioner may not require an insurance producer to
19 receive more than 16 hours of continuing education in a renewal period if the insurance
20 producer is also a licensed funeral director or licensed mortician who:

21 1. sells only life insurance policies or annuity contracts that
22 fund a pre-need contract as defined in § 7–101 of the Health Occupations Article; and

23 2. is not a viatical settlement broker as defined in § 8–601 of
24 this article.

25 (v) Of the required hours of continuing education per renewal period
26 required under subparagraphs (i), (ii), (iii), and (iv) of this paragraph, at least 3 hours shall
27 relate directly to ethics.

28 **[(3)] (4)** Subject to paragraph **[(4)] (5)** of this subsection, an insurance
29 producer may satisfy the continuing education requirements of this subsection by
30 submitting to the Commissioner or Commissioner’s designee:

31 (i) proof that the insurance producer has completed the required
32 hours of continuing education for the applicable renewal period; or

1 (ii) proof that the insurance producer has completed at least 8 hours
2 of continuing education for the applicable renewal period and an affidavit that, over the
3 previous 25 consecutive years, the insurance producer continually:

4 1. has held a license in the State; and

5 2. has been employed in the selling of insurance in the State.

6 ~~[(4)]~~ **(5)** (i) To increase the level of education of insurance producers,
7 an insurance producer shall obtain continuing education in the kind or subdivision of
8 insurance for which the insurance producer has received a license.

9 (ii) Each insurance producer who possesses a license to sell health
10 insurance and who sells long-term care insurance shall receive continuing education that
11 directly relates to long-term care insurance.

12 (iii) Each insurance producer who possesses a license to sell property
13 and casualty insurance and who sells flood insurance shall receive continuing education
14 that directly relates to flood insurance.

15 (iv) Each insurance producer who possesses a license to sell property
16 and casualty insurance and who sells, solicits, or negotiates bail bonds shall receive
17 continuing education that directly relates to bail bond insurance.

18 (v) Each insurance producer who possesses a license to sell health
19 insurance and who markets the Senior Prescription Drug Assistance Program or assists a
20 Medicare beneficiary to enroll in the Senior Prescription Drug Assistance Program shall
21 receive continuing education that directly relates to the Senior Prescription Drug
22 Assistance Program.

23 ~~[(5)]~~ **(6)** If continuing education is required, the Commissioner may grant
24 a waiver to an insurance producer who has requested a waiver for reasons that the
25 Commissioner determines warrant the waiver.

26 ~~[(6)]~~ **(7)** An insurer may not prohibit one of its insurance producers from
27 obtaining continuing education credits from any course approved by the Commissioner.

28 (b) The following individuals are exempt from the continuing education
29 requirements under this section:

30 (1) employees of a health maintenance organization who are employed
31 solely to solicit membership in the health maintenance organization under a contract
32 between the health maintenance organization and the Maryland Department of Health;

33 (2) attorneys at law of the State who are qualified as title insurance
34 producers and who do not hold a license in any other kind or subdivision of insurance;

1 (3) individuals who hold only a limited lines license to act as an insurance
2 producer for limited line credit insurance; and

3 (4) insurance producers who hold only a limited lines license in any type of
4 insurance designated by the Commissioner.

5 (c) A nonresident licensee shall be deemed to have met the continuing education
6 requirements of this section if:

7 (1) the nonresident licensee satisfies the continuing education
8 requirements of the home state of the nonresident licensee; and

9 (2) the home state of the nonresident licensee allows an insurance producer
10 who is a resident of this State to satisfy the continuing education requirements of the home
11 state on the same basis by meeting the continuing education requirements of this State.

12 (d) (1) The Commissioner may review all continuing education courses
13 submitted and approve or disapprove courses.

14 (2) The Commissioner may not disapprove a continuing education course
15 solely on the basis of the methodology or technology used to deliver instruction to
16 individuals taking the course.

17 (d-1) (1) An insurance producer may obtain all or part of the credit hours of
18 continuing education required for renewal of a license under this section from
19 correspondence courses or online courses approved by the Commissioner.

20 (2) This subsection applies to all insurance producers who are required to
21 receive continuing education as a condition of license renewal under this section, regardless
22 of the kind or subdivision of insurance for which the insurance producer has received a
23 license.

24 (e) **(1)** The Commissioner ~~may~~ **SHALL** adopt regulations to carry out this
25 section.

26 **(2) THE REGULATIONS ADOPTED BY THE COMMISSIONER UNDER**
27 **PARAGRAPH (1) OF THIS SUBSECTION SHALL REQUIRE PROVIDERS OF CONTINUING**
28 **EDUCATION TO SUBMIT EVIDENCE OF COURSE COMPLETION TO THE**
29 **COMMISSIONER OR THE COMMISSIONER'S DESIGNEE WITHIN 10 DAYS AFTER**
30 **COMPLETING A COURSE OF CONTINUING EDUCATION.**

31 (f) This section does not limit the authority of the Commissioner to review,
32 approve, or disapprove continuing education courses, examinations, and other matters
33 relating to the education and qualification of insurance producers.

1 (a) A license expires every other year on the date stated on the license unless
2 renewed as provided in this section.

3 (b) At least 1 month before a license expires, the Commissioner shall send to the
4 holder of the license, at the last known address or e-mail address of the holder on record a
5 notice that states:

6 (1) the process for renewing the license;

7 (2) the date by which the Commissioner must receive the renewal
8 application for the renewal to be issued and mailed before the license expires; and

9 (3) the amount of the renewal fee.

10 (c) Before a license expires, the holder of the license may renew it for an
11 additional 2-year term, if the holder:

12 (1) otherwise is entitled to a license;

13 (2) files with the Commissioner a renewal application:

14 (i) on the form that the Commissioner provides; or

15 (ii) in an electronic format that the Commissioner approves;

16 (3) completes the continuing education requirements under subsection (e)
17 of this section; and

18 (4) pays to the Commissioner the renewal fee required by § 2-112 of this
19 article.

20 (d) A license renewed under this section for an individual shall have an expiration
21 date that is the last day of the month in which the license holder was born.

22 (e) (1) The Commissioner shall require a public adjuster who is not a business
23 entity to receive continuing education as a condition of renewing a license of the public
24 adjuster.

25 **(2) A PUBLIC ADJUSTER SHALL COMPLETE THE CONTINUING**
26 **EDUCATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION NOT LATER**
27 **THAN 30 DAYS BEFORE THE EXPIRATION DATE OF THE PUBLIC ADJUSTER'S**
28 **LICENSE.**

29 **[(2)] (3)** The public adjuster shall successfully complete 24 credit hours of
30 approved continuing education for each 2-year license period as a condition for license
31 renewal unless the Commissioner modifies the requirement by regulation.

1 ~~[(3)]~~ (4) Of the required hours of continuing education required for a
2 renewal period under paragraph ~~[(2)]~~ (3) of this subsection, at least 3 hours shall relate
3 directly to ethics.

4 ~~[(4)]~~ (5) The Commissioner may grant a waiver to a public adjuster who
5 has requested a waiver for reasons that the Commissioner determines warrant the waiver.

6 ~~[(5)]~~ (6) This subsection may not apply to a holder of a license who has
7 not been licensed for 1 full year before the end of the applicable continuing education period.

8 (f) A nonresident license holder shall be deemed to have met the continuing
9 education requirements of this section if:

10 (1) the nonresident license holder satisfies the continuing education
11 requirements of the home state of the nonresident license holder; and

12 (2) the home state of the nonresident license holder allows a public adjuster
13 who is a resident of this State to satisfy the continuing education requirements of the home
14 state on the same basis by meeting the continuing education requirements of this State.

15 (g) (1) If mailed, an application for renewal of a license shall be considered
16 made in a timely manner if it is postmarked on or before the expiration date of the license.

17 (2) If submitted electronically, an application for renewal shall be
18 considered made in a timely manner if, on or before the expiration date of the license, the
19 application:

20 (i) is addressed properly or otherwise directed properly to an
21 information processing system that the Administration has designated or uses for the
22 purpose of receiving electronic applications and from which the Administration is able to
23 retrieve the application;

24 (ii) is in a form capable of being processed by that system; and

25 (iii) 1. enters an information processing system outside the
26 control of the sender or of a person that sent the electronic application on behalf of the
27 sender; or

28 2. enters a region of the information processing system
29 designated or used by the Administration that is under the control of the Administration
30 or an agent of the Administration.

31 (h) (1) The Commissioner shall renew the license of each holder who meets the
32 requirements of this section.

1 (2) If the holder of a license files an application for renewal before the
2 license expires, the license shall remain in effect until:

3 (i) the Commissioner issues a renewal license; or

4 (ii) 5 days after the Commissioner refuses in writing to renew the
5 license and serves notice of the refusal on the holder.

6 (i) The Commissioner may adopt regulations to carry out this section.

7 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31,
8 2019, the Maryland Insurance Commissioner, in consultation with the Independent
9 Insurance Agents of Maryland, the Insurance Agents and Brokers of Maryland, the
10 Maryland Association of Health Underwriters, and the National Association of Insurance
11 and Financial Advisors of Maryland, shall study and report to the Senate Finance
12 Committee and the House Economic Matters Committee, in accordance with § 2-1246 of
13 the State Government Article, on the adequacy and effectiveness of course offerings for
14 insurance producer continuing education in the State, including an examination of the role
15 of organizations of insurance producers in providing and reviewing such course offerings.

16 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 January 1, 2020.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.