

## Article - Insurance

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§10–118.

(a) In this section, “producer register” means a register of appointed insurance producers who are authorized to sell, solicit, or negotiate contracts of insurance on behalf of an insurer.

(b) (1) An insurer authorized to transact the business of insurance in the State shall maintain a producer register.

(2) Within 30 days of the insurer appointing an insurance producer, the insurer shall include the following information in the insurer’s producer register:

- (i) the insurance producer’s name;
- (ii) the license number assigned to the insurance producer by the Commissioner;
- (iii) the date that the insurer appointed the insurance producer; and
- (iv) any additional information that the Commissioner may require.

(3) An insurer shall send written documentation of the appointment to the insurance producer.

(c) A licensed insurance producer that has been appointed by an insurer shall maintain:

- (1) documentation of the insurer’s appointment; and
- (2) a list of the insurers that have appointed the producer.

(d) (1) The insurer’s producer register and the producer’s record relating to an appointment:

- (i) shall be open to inspection and examination by the Commissioner; and
- (ii) may be maintained electronically.

(2) Except as provided in paragraph (3) of this subsection, an insurance producer may not act on behalf of an insurer unless the insurance producer has received written documentation of the appointment from the insurer.

(3) An insurer may initially accept an application for life insurance, health insurance, or an annuity from an insurance producer who is not appointed by

the insurer and is not on the insurer's producer register if, within 30 days of accepting the application, the insurer:

(i) rejects the application in accordance with § 27-501 of this article;

or

(ii) appoints the insurance producer and enters in the insurer's producer register the information required by subsection (b) of this section.

(e) (1) (i) When there is any termination of the appointment, employment, contract, or other insurance business relationship with an insurance producer, the insurer shall, within 30 days following the effective date of the termination, update the insurer's producer register by entering the effective date of the termination.

(ii) An insurer or authorized representative of an insurer shall notify the Commissioner of the termination of an appointment when the termination, in whole or in part, is a result of the belief that the producer has engaged or is engaging in any of the activities set forth in § 10-126 of this subtitle, including any finding made by a court, governmental unit, or self-regulatory organization authorized by law that:

1. the insurance producer has violated § 10-126 of this subtitle;

or

2. the insurance producer has engaged in any activities that are set forth in § 10-126 of this subtitle.

(iii) On written request of the Commissioner, the insurer shall provide additional information, documents, records, or other data pertaining to:

1. the termination; or

2. the activities of the insurance producer if the insurance producer was terminated for cause due to a reason set forth in § 10-126 of this subtitle.

(2) If the appointment of an insurance producer is terminated because the insurance producer failed to renew the insurance producer's license and the license is reinstated under § 10-116.1(c)(1) of this subtitle, an insurer may reappoint the insurance producer retroactively, with the appointment effective on the date that the license expired.

(f) An insurer or authorized representative of an insurer promptly shall notify the Commissioner, in a format acceptable to the Commissioner, of any additional information that:

(1) the insurer discovers on further review or investigation; and

(2) would have been reportable to the Commissioner under subsection (e) of this section if the insurer had then known of its existence.

(g) (1) Within 15 days after providing notice to the Commissioner that is required by subsection (e) of this section, an insurer shall mail a copy of the notice to the insurance producer:

(i) at the last known address of the insurance producer; and

(ii) by certified mail, return receipt requested, postage prepaid or by overnight delivery using a nationally recognized carrier.

(2) Within 30 days after an insurance producer receives original or additional notice, the insurance producer may file with the Commissioner written comments concerning the substance of the notice.

(3) If an insurance producer files comments with the Commissioner, the insurance producer shall, by the same means, simultaneously send a copy of the comments to the reporting insurer.

(4) If the Commissioner receives comments from an insurance producer, the Commissioner shall:

(i) make the comments part of the Commissioner's file on the subject; and

(ii) include a copy of the comments with every copy of a report about the insurance producer that is distributed or disclosed for any reason permitted by subsection (i) of this section.

(h) (1) This subsection applies to:

(i) an insurer;

(ii) an authorized representative of an insurer;

(iii) an insurance producer;

(iv) the Commissioner; and

(v) an organization of which the Commissioner is a member that compiles information required under this section and makes it available to other insurance commissioners or regulatory or law enforcement agencies.

(2) In the absence of actual malice, a person to whom this subsection applies and the agents and employees of the person are not subject to civil liability of any nature as a result of:

(i) any statement or information required by or provided under this section; or

(ii) any information relating to any statement that may be requested

in writing by the Commissioner from an insurer or insurance producer.

(3) If a party brings an action against a person that may have immunity under paragraph (2) of this subsection for making a statement required by or under this section or providing any information relating to any statement that may be requested by the Commissioner, the party bringing the action shall plead specifically in any allegation that paragraph (2) of this subsection does not apply because the person making the statement or providing the information did so with actual malice.

(4) This subsection does not abrogate or modify any existing statutory or common law privileges or immunities.

(i) (1) This subsection applies only to any document, material, or other information in the control or possession of the Insurance Administration that is:

(i) furnished by an insurer or insurance producer or an employee or agent acting on behalf of the insurer or insurance producer under this section; or

(ii) otherwise obtained by the Insurance Commissioner in an investigation under this section.

(2) Any document, material, or other information that is subject to this subsection is:

(i) confidential and privileged;

(ii) not subject to Title 4 of the General Provisions Article;

(iii) not subject to subpoena; and

(iv) not subject to discovery or admissible in evidence in any private civil action.

(3) Notwithstanding paragraph (2) of this subsection, the Commissioner may use any document, material, or other information that is subject to this section to further any regulatory or legal action brought as part of the duties of the Commissioner.

(4) The Commissioner and any person who received any document, material, or other information to which this subsection applies while acting under the authority of the Commissioner may not be allowed or required to testify in any private civil action concerning the document, material, or information.

(5) (i) Provided that the recipient agrees to maintain any confidentiality and privileged status, the Commissioner may share a document, material, or other information, including a document, material, or other information that is confidential and privileged under this subsection, with:

1. other State, federal, or international regulatory agencies;

2. the National Association of Insurance Commissioners and its affiliates or subsidiaries; or

3. State, federal, or international law enforcement authorities.

(ii) If the Commissioner determines that a confidential document, material, or other information that has been shared through a database or other electronic filing system is inaccurate or incomplete in any way, the Commissioner shall update the information in the database or other electronic filing system so that the information is accurate and complete.

(6) (i) The Commissioner may receive a document, material, or information, including a document, material, or information that is otherwise confidential and privileged, from:

1. the National Association of Insurance Commissioners or its affiliates or subsidiaries; or

2. regulatory and law enforcement officials of other foreign or domestic jurisdictions.

(ii) The Commissioner shall maintain as confidential and privileged any document, material, or information received under this paragraph with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information.

(7) The Commissioner may enter into agreements governing sharing and use of information consistent with this subsection.

(8) There is no waiver of any applicable privilege or claim of confidentiality in a document, material, or information as a result of:

(i) disclosure of the document, material, or information to the Commissioner under this section; or

(ii) sharing of the document, material, or information by the Commissioner under paragraph (5) of this subsection.

(9) This subtitle does not prohibit the Commissioner from releasing final adjudicated actions, including for-cause terminations, that are open to public inspection under Title 10, Subtitle 6 of the State Government Article, to a database or other clearinghouse service maintained by the National Association of Insurance Commissioners or its affiliates or subsidiaries.

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

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