HOUSE BILL 60

C4, C3 (PRE–FILED)

By: Chair, Economic Matters Committee (By Request – Departmental – Maryland Insurance Administration)

Requested: September 29, 2015

Introduced and read first time: January 13, 2016

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: February 24, 2016

CHAPTER

1 AN ACT concerning

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Insurance – Certificate of Qualification, Licensing, and Registration – Electronic Means

4 FOR the purpose of altering the renewal date and process for renewing certificates of 5 qualification of surplus lines brokers; establishing the expiration date of a surplus 6 lines broker's certificate of qualification held by an individual; authorizing the 7 Maryland Insurance Commissioner to send a certain notice relating to renewal of 8 the certificate of qualification of a surplus lines broker, the license of a certain 9 insurance producer, an insurance adviser, and a motor club, and the registration of 10 a motor club representative at the electronic mail address of the holder of record; altering the contents of certain notices; authorizing the submission of certain 11 12 renewal applications in a certain electronic format; establishing when certain renewal applications submitted electronically are considered made in a timely 13 manner; authorizing the Commissioner to adopt certain regulations; requiring a 14 15 certain insurance producer licensee to file with the Commissioner a change in the 16 licensee's electronic mail address; altering the expiration date of an insurance 17 adviser's license; making stylistic and conforming changes; providing for a delayed 18 effective date; and generally relating to the renewal of certificates of qualification, 19 licenses, and registrations under State insurance laws.

20 BY repealing and reenacting, with amendments,

Article – Insurance

22 Section 3–316, 10–115, 10–117, 10–211, 26–206, and 26–305

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

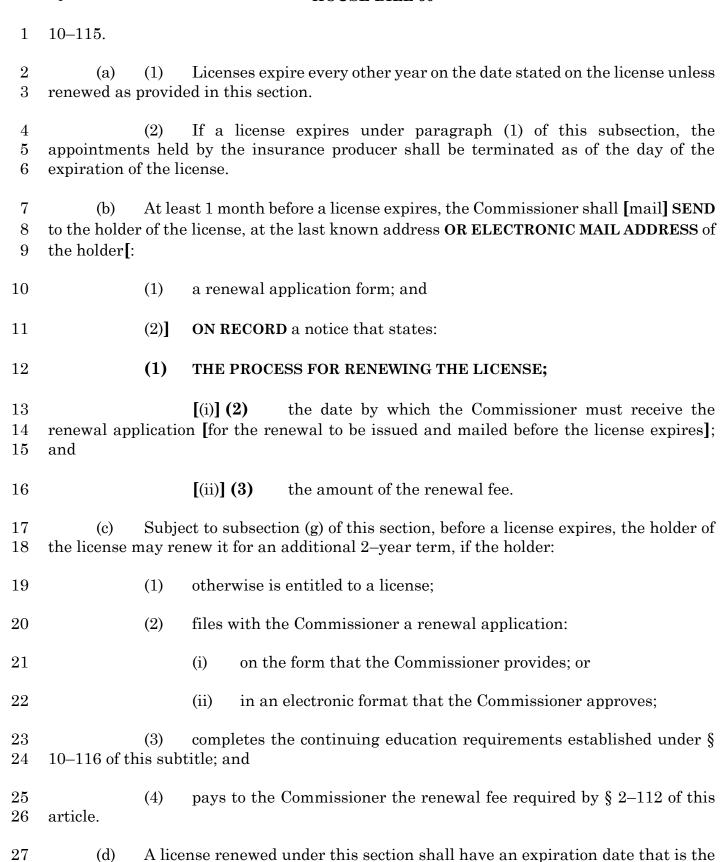
Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1	Annotated Code of Maryland												
2	(2011 Replacement Volume and 2015 Supplement)												
3 4	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:												
5	Article – Insurance												
6	3–316.												
7 8 9	(a) Unless a certificate of qualification is renewed for a 2-year term as provided in this section, the certificate of qualification expires [on the first June 30 that comes after its effective date] EVERY OTHER YEAR ON THE DATE STATED ON THE CERTIFICATE OF QUALIFICATION.												
11 12 13	(b) At least 1 month before a certificate of qualification expires, the Commissioner shall [mail] SEND to the holder of the certificate of qualification, at the last known address OR ELECTRONIC MAIL ADDRESS of the holder[:												
4	(1) a renewal application form; and												
15	(2)] ON RECORD a notice that states:												
16 17	(1) THE PROCESS FOR RENEWING THE CERTIFICATE OF QUALIFICATION;												
18 19 20	renewal application [for the renewal to be issued and mailed before the certificate of												
21	[(ii)] (3) the amount of the renewal fee.												
22 23	(c) Before a certificate of qualification expires, the holder periodically may renew it for an additional 2–year term, if the holder:												
24	(1) otherwise is entitled to a certificate of qualification;												
25	(2) submits to the Commissioner a renewal application:												
26	(I) on the form that the Commissioner provides; OR												
27 28	(II) IN AN ELECTRONIC FORMAT THAT THE COMMISSIONER APPROVES;												

- 1 (3) pays to the Commissioner the renewal fee required by $\S 2-112$ of this 2 article; and
- 3 (4) complies with the bond requirement of § 3–313 of this subtitle.
- 4 (D) FOR AN INDIVIDUAL, A CERTIFICATE OF QUALIFICATION RENEWED 5 UNDER THIS SECTION SHALL HAVE AN EXPIRATION DATE THAT IS THE LAST DAY OF 6 THE MONTH IN WHICH THE HOLDER OF THE CERTIFICATE OF QUALIFICATION WAS 7 BORN.
- 8 [(d)] (E) (1) [An] IF MAILED, AN application for renewal of a certificate of qualification shall be considered made in a timely manner if it is postmarked on or before [June 30 of the year of renewal] THE EXPIRATION DATE OF THE CERTIFICATE OF QUALIFICATION.
- 12 (2) IF SUBMITTED ELECTRONICALLY, AN APPLICATION FOR
 13 RENEWAL OF A CERTIFICATE OF QUALIFICATION SHALL BE CONSIDERED MADE IN A
 14 TIMELY MANNER IF, ON OR BEFORE THE EXPIRATION DATE OF THE CERTIFICATE OF
 15 QUALIFICATION, THE APPLICATION:
- 16 (I) IS ADDRESSED PROPERLY OR OTHERWISE DIRECTED
 17 PROPERLY TO AN INFORMATION PROCESSING SYSTEM THAT THE ADMINISTRATION
 18 HAS DESIGNATED OR USES FOR THE PURPOSE OF RECEIVING ELECTRONIC
 19 APPLICATIONS AND FROM WHICH THE ADMINISTRATION IS ABLE TO RETRIEVE THE
 20 APPLICATION;
- 21 (II) IS IN A FORM CAPABLE OF BEING PROCESSED BY THAT 22 SYSTEM; AND
- 23 (III) 1. ENTERS AN INFORMATION PROCESSING SYSTEM 24 OUTSIDE THE CONTROL OF THE SENDER OR OF A PERSON THAT SENT THE 25 ELECTRONIC APPLICATION ON BEHALF OF THE SENDER; OR
- 2. ENTERS A REGION OF THE INFORMATION PROCESSING SYSTEM DESIGNATED OR USED BY THE ADMINISTRATION THAT IS UNDER THE CONTROL OF THE ADMINISTRATION OR AN AGENT OF THE ADMINISTRATION.
- 30 **[(e)] (F)** The Commissioner shall renew the certificate of qualification of each 31 holder who meets the requirements of this section.
- 32 (G) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS 33 SECTION.

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last day of the month in which the holder of the license was born.

- 1 (e) If mailed, an application for renewal of a license shall be considered 2 made in a timely manner if it is postmarked on or before the expiration date of the license. 3 If submitted electronically, an application for renewal OF A LICENSE shall be considered made in a timely manner if, on or before the expiration date of the 4 5 license, the application: 6 is addressed properly or otherwise directed properly to an (i) 7 information processing system that the Administration has designated or uses for the 8 purpose of receiving electronic applications and from which the Administration is able to 9 retrieve the application; 10 is in a form capable of being processed by that system; and (ii) 11 (iii) 1. enters an information processing system outside the control of the sender or of a person that sent the electronic application on behalf of the 12 13 sender: or 14 2. enters a region of the information processing system 15 designated or used by the Administration that is under the control of the Administration 16 or an agent of the Administration. 17 The Commissioner shall renew the license of each holder who meets the 18 requirements of this section. 19 (2)If the holder of a license complies with subsections (b) and (c) of this 20 section before the license expires, the license remains in effect until the decision of the 21Commissioner regarding the application for renewal is final. 22A license is considered renewed for purposes of this subsection if the 23license is issued to a person for the period immediately following a period for which the 24person previously possessed the same or a substantially similar license. 25Before a license may be renewed under this section, the Commissioner (2)26 shall verify through the Office of the Comptroller that the applicant has paid all undisputed 27 taxes and unemployment insurance contributions payable to the Comptroller or the 28 Secretary of Labor, Licensing, and Regulation or that the applicant has provided for 29 payment in a manner satisfactory to the unit responsible for collection. 30 (h) The Commissioner may adopt regulations to:
- 34 10–117.

producers.

(1)

(2)

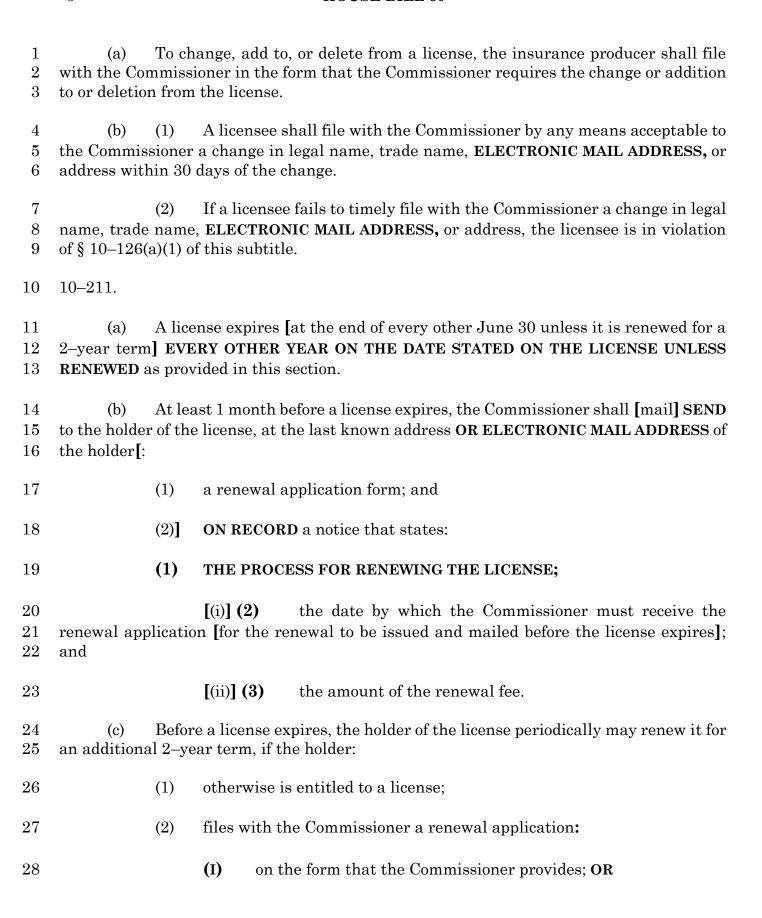
carry out this section; and

develop a staggered system of renewals for licenses of insurance

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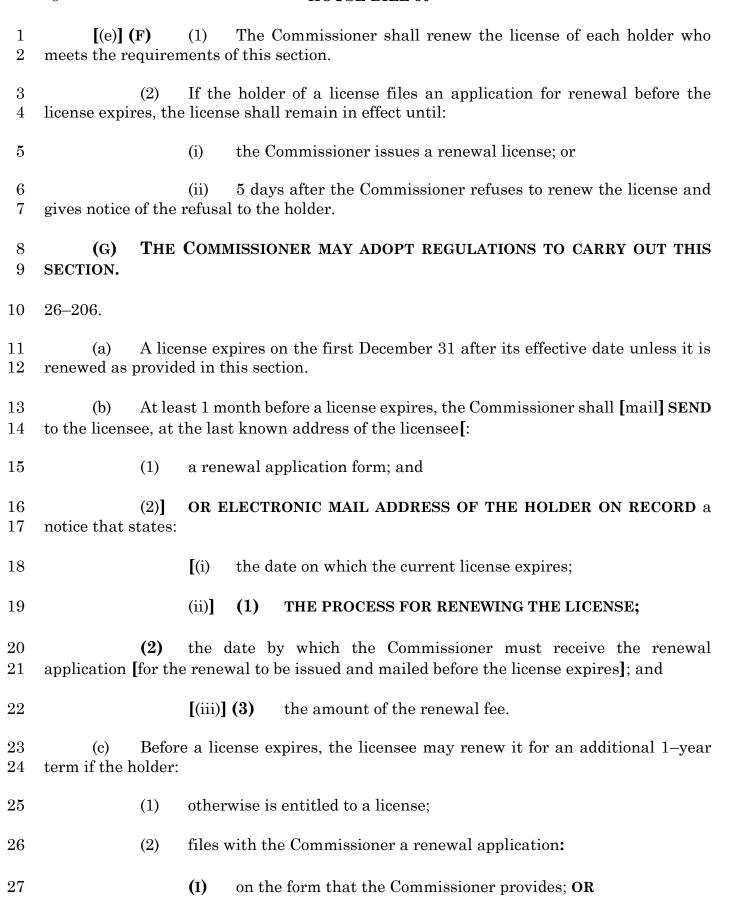
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- 7 IN AN ELECTRONIC FORMAT THAT THE COMMISSIONER 1 (II)2 **APPROVES**; 3 pays to the Commissioner the renewal fee required by § 2–112 of this (3)article; 4 5 is in compliance with the bond requirement of § 10–206 of this subtitle; (4) 6 and 7 if the Commissioner determines that an examination is advisable to determine the trustworthiness or competence of a holder, passes an examination given by 8 9 the Commissioner. 10 A LICENSE RENEWED UNDER THIS SECTION SHALL HAVE AN (D) 11 EXPIRATION DATE THAT IS THE LAST DAY OF THE MONTH IN WHICH THE HOLDER OF 12 THE LICENSE WAS BORN. 13 [(d)] **(E) (1)** [An] IF MAILED, AN application for renewal of a license shall 14 be considered made in a timely manner if it is postmarked on or before [June 30 of the year of renewal] THE EXPIRATION DATE OF THE LICENSE. 15 16 **(2)** IF SUBMITTED ELECTRONICALLY, AN APPLICATION 17 RENEWAL OF A LICENSE SHALL BE CONSIDERED MADE IN A TIMELY MANNER IF, ON 18 OR BEFORE THE EXPIRATION DATE OF THE LICENSE, THE APPLICATION: 19 **(I)** IS ADDRESSED PROPERLY OR OTHERWISE DIRECTED 20 PROPERLY TO AN INFORMATION PROCESSING SYSTEM THAT THE ADMINISTRATION 21HAS DESIGNATED OR USES FOR THE PURPOSE OF RECEIVING ELECTRONIC 22 APPLICATIONS AND FROM WHICH THE ADMINISTRATION IS ABLE TO RETRIEVE THE 23APPLICATION; 24(II)IS IN A FORM CAPABLE OF BEING PROCESSED BY THAT 25SYSTEM; AND 26 (III) 1. ENTERS AN INFORMATION PROCESSING SYSTEM 27 OUTSIDE THE CONTROL OF THE SENDER OR OF A PERSON THAT SENT THE
- 2. 29 **ENTERS** A REGION OR THE **INFORMATION** 30 PROCESSING SYSTEM DESIGNATED OR USED BY THE ADMINISTRATION THAT IS UNDER THE CONTROL OF THE ADMINISTRATION OR AN AGENT OF THE 31 32 ADMINISTRATION.

ELECTRONIC APPLICATION ON BEHALF OF THE SENDER; OR

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1 2	(II) IN AN ELECTRONIC FORMAT THAT THE COMMISSIONER APPROVES;	3
3	(3) files with the Commissioner the fees to be charged to members;	
4 5	(4) provides a financial statement as required under § 26–203(c)(3) of this subtitle; and	s
6	(5) pays to the Commissioner a renewal fee of \$100.	
7 8	(d) The Commissioner shall renew the license of each licensee that meets the requirements of this section.	е
9	26–305.	
10 11	(a) A registration expires on the first August 31 after its effective date unless is renewed as provided in this section.	t
12 13	(b) At least 1 month before a registration expires, the Commissioner shall [mail SEND to the licensee, at the last known address of the licensee [:]
14	(1) a renewal application form; and	
15 16	(2)] OR ELECTRONIC MAIL ADDRESS OF THE LICENSEE ON RECORD anotice that states:	a
17	[(i) the date on which the current registration expires;]	
18	(1) THE PROCESS FOR RENEWING THE REGISTRATION;	
19 20 21	[(ii)] (2) the date by which the Commissioner must receive the renewal application [for the renewal to be issued and mailed before the registration expires]; and	
22	[(iii)] (3) the amount of the renewal fee.	
23 24	(c) Before a registration expires, the licensee may renew the registration of a representative for an additional 1-year term if:	a
25	(1) the representative otherwise is entitled to a registration;	
26	(2) the licensee files with the Commissioner a renewal application:	
27	(I) on the form that the Commissioner provides; OR	

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APPROVES;	and	(II)	IN A	AN	ELECTR	ONIC	FORMA	T THAT	THE	Сомм	ISSIONER
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	(0)	une n	icense	е ра	iys to the	Comi	1118810116	i a regis	паноп	Tenewa	1 1ee 01 \$2.
(d) licensee and										resenta	tive if the
SECT. January 1, 2		2. ANI	D BE	IT	FURTHE	ER EN	NACTED	, That t	his Ac	t shall t	take effect
Approved:											
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								Preside	nt of th	e Senat	e.