

# HOUSE BILL 60

C4, C3

6lr0096

(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

2 **Insurance – Certificate of Qualification, Licensing, and Registration –**  
3 **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;  
11 altering the contents of certain notices; authorizing the submission of certain  
12 renewal applications in a certain electronic format; establishing when certain  
13 renewal applications submitted electronically are considered made in a timely  
14 manner; authorizing the Commissioner to adopt certain regulations; requiring a  
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,

21 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.

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

5 **Article – Insurance**

6 3–316.

7 (a) Unless a certificate of qualification is renewed for a 2–year term as provided  
8 in this section, the certificate of qualification expires [on the first June 30 that comes after  
9 its effective date] **EVERY OTHER YEAR ON THE DATE STATED ON THE CERTIFICATE OF**  
10 **QUALIFICATION.**

11 (b) At least 1 month before a certificate of qualification expires, the Commissioner  
12 shall [mail] **SEND** to the holder of the certificate of qualification, at the last known address  
13 **OR ELECTRONIC MAIL ADDRESS** of the holder[:

14 (1) a renewal application form; and

15 (2)] **ON RECORD** a notice that states:

16 **(1) THE PROCESS FOR RENEWING THE CERTIFICATE OF**  
17 **QUALIFICATION;**

18 [(i)] **(2)** the date by which the Commissioner must receive the  
19 renewal application [for the renewal to be issued and mailed before the certificate of  
20 qualification expires]; and

21 [(ii)] **(3)** the amount of the renewal fee.

22 (c) Before a certificate of qualification expires, the holder periodically may renew  
23 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 **(II) IN AN ELECTRONIC FORMAT THAT THE COMMISSIONER**  
28 **APPROVES;**

1           (3)    pays to the Commissioner the renewal fee required by § 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**  
9 **qualification shall be considered made in a timely manner if it is postmarked on or before**  
10 **[June 30 of the year of renewal] THE EXPIRATION DATE OF THE CERTIFICATE OF**  
11 **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**

26           **2. ENTERS A REGION OF THE INFORMATION**  
27 **PROCESSING SYSTEM DESIGNATED OR USED BY THE ADMINISTRATION THAT IS**  
28 **UNDER THE CONTROL OF THE ADMINISTRATION OR AN AGENT OF THE**  
29 **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.**

1 10–115.

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

4 (2) If a license expires under paragraph (1) of this subsection, the  
5 appointments held by the insurance producer shall be terminated as of the day of the  
6 expiration of the license.

7 (b) At least 1 month before a license expires, the Commissioner shall [mail] SEND  
8 to the holder of the license, at the last known address OR ELECTRONIC MAIL ADDRESS of  
9 the holder[:

10 (1) a renewal application form; and

11 (2)] ON RECORD a notice that states:

12 (1) THE PROCESS FOR RENEWING THE LICENSE;

13 [(i)] (2) the date by which the Commissioner must receive the  
14 renewal application [for the renewal to be issued and mailed before the license expires];  
15 and

16 [(ii)] (3) the amount of the renewal fee.

17 (c) Subject to subsection (g) of this section, before a license expires, the holder of  
18 the license may renew it for an additional 2–year term, if the holder:

19 (1) otherwise is entitled to a license;

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

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

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

23 (3) completes the continuing education requirements established under §  
24 10–116 of this subtitle; and

25 (4) pays to the Commissioner the renewal fee required by § 2–112 of this  
26 article.

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

1 (e) (1) 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 (2) If submitted electronically, an application for renewal **OF A LICENSE**  
4 shall be considered made in a timely manner if, on or before the expiration date of the  
5 license, the application:

6 (i) is addressed properly or otherwise directed properly to an  
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 (ii) is in a form capable of being processed by that system; and

11 (iii) **1.** enters an information processing system outside the  
12 control of the sender or of a person that sent the electronic application on behalf of the  
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 (f) (1) 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  
21 Commissioner regarding the application for renewal is final.

22 (g) (1) A license is considered renewed for purposes of this subsection if the  
23 license is issued to a person for the period immediately following a period for which the  
24 person previously possessed the same or a substantially similar license.

25 (2) Before a license may be renewed under this section, the Commissioner  
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:

31 (1) carry out this section; and

32 (2) develop a staggered system of renewals for licenses of insurance  
33 producers.

1 (a) To change, add to, or delete from a license, the insurance producer shall file  
2 with the Commissioner in the form that the Commissioner requires the change or addition  
3 to or deletion from the license.

4 (b) (1) A licensee shall file with the Commissioner by any means acceptable to  
5 the Commissioner a change in legal name, trade name, **ELECTRONIC MAIL ADDRESS**, or  
6 address within 30 days of the change.

7 (2) If a licensee fails to timely file with the Commissioner a change in legal  
8 name, trade name, **ELECTRONIC MAIL ADDRESS**, or address, the licensee is in violation  
9 of § 10-126(a)(1) of this subtitle.

10 10-211.

11 (a) A license expires [at the end of every other June 30 unless it is renewed for a  
12 2-year term] **EVERY OTHER YEAR ON THE DATE STATED ON THE LICENSE UNLESS**  
13 **RENEWED** as provided in this section.

14 (b) At least 1 month before a license expires, the Commissioner shall [mail] **SEND**  
15 to the holder of the license, at the last known address **OR ELECTRONIC MAIL ADDRESS** of  
16 the holder[:

17 (1) a renewal application form; and

18 (2)] **ON RECORD** a notice that states:

19 **(1) THE PROCESS FOR RENEWING THE LICENSE;**

20 [(i)] **(2)** the date by which the Commissioner must receive the  
21 renewal application [for the renewal to be issued and mailed before the license expires];  
22 and

23 [(ii)] **(3)** the amount of the renewal fee.

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

26 (1) otherwise is entitled to a license;

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

28 **(I)** on the form that the Commissioner provides; **OR**

1                   **(II) IN AN ELECTRONIC FORMAT THAT THE COMMISSIONER**  
2 **APPROVES;**

3                   (3)   pays to the Commissioner the renewal fee required by § 2–112 of this  
4 article;

5                   (4)   is in compliance with the bond requirement of § 10–206 of this subtitle;  
6 and

7                   (5)   if the Commissioner determines that an examination is advisable to  
8 determine the trustworthiness or competence of a holder, passes an examination given by  
9 the Commissioner.

10           **(D) A LICENSE RENEWED UNDER THIS SECTION SHALL HAVE AN**  
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  
15 of renewal] **THE EXPIRATION DATE OF THE LICENSE.**

16                   **(2) IF SUBMITTED ELECTRONICALLY, AN APPLICATION FOR**  
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**  
21 **HAS DESIGNATED OR USES FOR THE PURPOSE OF RECEIVING ELECTRONIC**  
22 **APPLICATIONS AND FROM WHICH THE ADMINISTRATION IS ABLE TO RETRIEVE THE**  
23 **APPLICATION;**

24                   **(II) IS IN A FORM CAPABLE OF BEING PROCESSED BY THAT**  
25 **SYSTEM; AND**

26                   **(III) 1. ENTERS AN INFORMATION PROCESSING SYSTEM**  
27 **OUTSIDE THE CONTROL OF THE SENDER OR OF A PERSON THAT SENT THE**  
28 **ELECTRONIC APPLICATION ON BEHALF OF THE SENDER; OR**

29                   **2. ENTERS A REGION OR THE INFORMATION**  
30 **PROCESSING SYSTEM DESIGNATED OR USED BY THE ADMINISTRATION THAT IS**  
31 **UNDER THE CONTROL OF THE ADMINISTRATION OR AN AGENT OF THE**  
32 **ADMINISTRATION.**

1            ~~[(e)]~~ **(F)**        (1)     The Commissioner shall renew the license of each holder who  
2 meets the requirements of this section.

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

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

6                            (ii)    5 days after the Commissioner refuses to renew the license and  
7 gives notice of the refusal to the holder.

8            **(G)    THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS**  
9 **SECTION.**

10 26–206.

11            (a)     A license expires on the first December 31 after its effective date unless it is  
12 renewed as provided in this section.

13            (b)     At least 1 month before a license expires, the Commissioner shall ~~[mail]~~ **SEND**  
14 to the licensee, at the last known address of the licensee~~]~~:

15                            (1)     a renewal application form; and

16                            ~~[(2)]~~   **OR ELECTRONIC MAIL ADDRESS OF THE HOLDER ON RECORD** a  
17 notice that states:

18                            ~~[(i)]~~    the date on which the current license expires;

19                            ~~[(ii)]~~   **(1)    THE PROCESS FOR RENEWING THE LICENSE;**

20                            **(2)**    the date by which the Commissioner must receive the renewal  
21 application ~~[for the renewal to be issued and mailed before the license expires]~~; and

22                            ~~[(iii)]~~ **(3)**    the amount of the renewal fee.

23            (c)     Before a license expires, the licensee may renew it for an additional 1–year  
24 term if the holder:

25                            (1)     otherwise is entitled to a license;

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

27                            **(I)**     on the form that the Commissioner provides; **OR**



1                   **(II) IN AN ELECTRONIC FORMAT THAT THE COMMISSIONER**  
 2 **APPROVES;**

3                   (3) files with the Commissioner the fees to be charged to members;

4                   (4) provides a financial statement as required under § 26–203(c)(3) of this  
 5 subtitle; and

6                   (5) pays to the Commissioner a renewal fee of \$100.

7                   (d) The Commissioner shall renew the license of each licensee that meets the  
 8 requirements of this section.

9 26–305.

10                  (a) A registration expires on the first August 31 after its effective date unless it  
 11 is renewed as provided in this section.

12                  (b) At least 1 month before a registration expires, the Commissioner shall [mail]  
 13 **SEND** to the licensee, at the last known address of the licensee[:

14                   (1) a renewal application form; and

15                   (2)] **OR ELECTRONIC MAIL ADDRESS OF THE LICENSEE ON RECORD** a  
 16 notice that states:

17                   [(i) the date on which the current registration expires;]

18                   **(1) THE PROCESS FOR RENEWING THE REGISTRATION;**

19                   [(ii) **(2)** the date by which the Commissioner must receive the  
 20 renewal application [for the renewal to be issued and mailed before the registration  
 21 expires]; and

22                   [(iii) **(3)** the amount of the renewal fee.

23                  (c) Before a registration expires, the licensee may renew the registration of a  
 24 representative for an additional 1–year term if:

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**

1 (II) IN AN ELECTRONIC FORMAT THAT THE COMMISSIONER  
2 APPROVES; and

3 (3) the licensee pays to the Commissioner a registration renewal fee of \$2.

4 (d) The Commissioner shall renew the registration of a representative if the  
5 licensee and representative meet the requirements of this section.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 January 1, 2017.

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
Speaker of the House of Delegates.

\_\_\_\_\_  
President of the Senate.