

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1277
Economic Matters

(Delegate Davis)

Finance

Insurance - Producer Licensing - Examinations

This bill decreases the number of days, from 14 days to 4 days, that an individual must wait before he or she can retake a failed insurance producer license examination.

Fiscal Summary

State Effect: The bill does not directly affect State operations or finances.

Local Effect: The bill does not affect local governmental operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law/Background: An insurance producer is a person licensed by the Maryland Insurance Administration to sell insurance in the State on behalf of an insurer. A producer can be a captive agent, only selling insurance for one insurer, or an independent agent, able to sell insurance for more than one insurer. The license fee is \$54 initially and \$54 every two years for renewal. Each producer license expires every two years (1) for an individual, on the last day of the month in which the holder of the license was born and (2) for a business, on the same day the license was first issued. An individual applying for the license must be of good character and trustworthy and meet any education requirements specified by law and set by the Insurance Commissioner.

An individual applicant for a property and casualty insurance producer license or a life and health insurance producer license must also pass a written examination to demonstrate competency in the type of insurance for which he or she wishes to be licensed. The

requirements associated with the examination vary depending on the type of license for which the individual is being tested. However, for both types of examination, the Insurance Commissioner must adopt reasonable regulations that specify (1) the scope, type, conduct, and grading of the written examination; (2) the frequency, times, and locations within the State where the written examination will be held; and (3) the educational requirements for an individual applicant to be eligible to take the examination. Additionally, for both types, each examination must be graded within 30 days after it is completed, and if an applicant fails, he or she may not take another examination for at least 14 days after the date of the failed examination.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2017
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