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**By: Chairman, Economic Matters Committee (Departmental - Insurance Administration, Maryland)**

Introduced and read first time: January 20, 1997

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Insurance Professionals - Certificate of Qualification - Issuance, Expiration, Renewal,**  
3 **Reinstatement, and Conditions**

4 FOR the purpose of providing that certificates of qualification for agents and brokers  
5 expire at a time certain unless a proper renewal is made; clarifying the procedure  
6 for renewal of certificates of authority for agents and brokers; clarifying the  
7 continuing education requirements for agents and brokers; clarifying that  
8 satisfaction of the continuing education requirements is a requirement for the  
9 renewal of an agent's or broker's certificate of qualification; providing certain  
10 exceptions to the continuing education requirements; requiring the Maryland  
11 Insurance Commissioner to review and approve certain continuing education  
12 courses; requiring the Commissioner to appoint a Property and Casualty Insurance  
13 Advisory Board and a Life and Health Insurance Advisory Board to assist the  
14 Commissioner and repealing certain obsolete advisory boards; clarifying the effect  
15 of the expiration of a certificate of qualification or registration that has expired;  
16 providing a procedure for reinstatement of an expired certificate of qualification or  
17 registration within a certain time period; providing for a certain fee; clarifying the  
18 effect of failure to reinstate an expired certificate of qualification or registration;  
19 modifying the power of the Commissioner to require examinations of agents or  
20 brokers whose certificates of qualification have been terminated or suspended;  
21 changing the dates and clarifying the conditions for renewal of licenses for public  
22 adjusters, insurance advisers, surplus lines brokers, and third party administrators  
23 to correspond to the dates and conditions of renewal for agents and brokers;  
24 correcting certain provisions and clarifying certain terms in the revised Insurance  
25 Article; repealing a certain termination date; clarifying certain terminology;  
26 requiring the Maryland Insurance Administration to take certain corrective actions;  
27 and generally relating to the issuance, expiration, renewal, and conditions of  
28 certificates of qualification of insurance professionals.

29 BY repealing and reenacting, with amendments,  
30 Article 48A - Insurance Code  
31 Section 170, 175, 176(e), 181(e), 182(h) and (i), 188, and 685  
32 Annotated Code of Maryland  
33 (1994 Replacement Volume and 1996 Supplement)

## 1 BY repealing

2 Article 48A - Insurance Code  
3 Section 170.1 and 179  
4 Annotated Code of Maryland  
5 (1994 Replacement Volume and 1996 Supplement)

## 6 BY adding to

7 Article 48A - Insurance Code  
8 Section 170.1, 181.1, 182.1, 188.1, and 685.1  
9 Annotated Code of Maryland  
10 (1994 Replacement Volume and 1996 Supplement)

## 11 BY repealing

12 Article - Insurance  
13 Section 10-110 and 10-116  
14 Annotated Code of Maryland  
15 (1995 Volume and 1996 Supplement)  
16 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

## 17 BY adding to

18 Article - Insurance  
19 Section 3-316.1, 8-308.1, 10-110, 10-116, 10-116.1, 10-211.1, and 10-408.1  
20 Annotated Code of Maryland  
21 (1995 Volume and 1996 Supplement)  
22 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

## 23 BY repealing and reenacting, with amendments,

24 Article - Insurance  
25 Section 3-311, 3-316, 8-308, 10-111, and 10-115  
26 Annotated Code of Maryland  
27 (1995 Volume and 1996 Supplement)  
28 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

## 29 BY repealing and reenacting, with amendments,

30 Article - Insurance  
31 Section 10-104(a) and (e) and 10-109  
32 Annotated Code of Maryland  
33 (1995 Volume and 1996 Supplement)  
34 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as  
35 amended by Chapter 370 of the Acts of the General Assembly of 1996)

## 36 BY repealing and reenacting, with amendments,

37 Article - Insurance  
38 Section 10-107

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1 Annotated Code of Maryland  
2 (1995 Volume and 1996 Supplement)  
3 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as  
4 amended by Chapter 271, Section 2 of the Acts of the General Assembly of  
5 1996)

6 BY repealing and reenacting, with amendments,

7 Article - Insurance  
8 Section 10-108  
9 Annotated Code of Maryland  
10 (1995 Volume and 1996 Supplement)  
11 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as  
12 amended by Chapters 271 and 370 of the Acts of the General Assembly of  
13 1996)

14 BY repealing and reenacting, with amendments,

15 Article - Insurance  
16 Section 10-112(a) and 10-126(a), (b), and (e)  
17 Annotated Code of Maryland  
18 (1995 Volume and 1996 Supplement)  
19 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as  
20 amended by Chapter 635 of the Acts of the General Assembly of 1995, as  
21 amended by Chapters 206 and 239 of the Acts of the General Assembly of  
22 1996)

23 BY repealing and reenacting, with amendments,

24 Article - Insurance  
25 Section 10-125(d)  
26 Annotated Code of Maryland  
27 (1995 Volume and 1996 Supplement)  
28 (As enacted by Chapter 635 of the Acts of the General Assembly of 1995, as  
29 amended by Chapter 239 of the Acts of the General Assembly of 1996)

30 BY repealing and reenacting, with amendments,

31 Article - Insurance  
32 Section 10-211 and 10-408  
33 Annotated Code of Maryland  
34 (1995 Volume and 1996 Supplement)  
35 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as  
36 amended by Chapter 369 of the Acts of the General Assembly of 1996)

37 BY repealing and reenacting, with amendments,

38 Chapter 609 of the Acts of the General Assembly of 1989, as amended by Chapter  
39 39 of the Acts of the General Assembly of 1993  
40 Section 2

4

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

3 **Article 48A - Insurance Code**

4 170.

5 (a) (1) Certificates OF QUALIFICATION issued to agents and brokers shall be  
6 renewed every other year ON OR BEFORE JUNE 30, unless prior thereto the certificate OF  
7 QUALIFICATION is revoked or suspended by the Commissioner or terminated under this  
8 section.

9 (2) The Commissioner may adopt rules and regulations to implement and  
10 operate a staggered system of certificate renewal.

11 (b) (1) [Subject to paragraph (2) of this subsection, in] IN the absence of a  
12 contrary ruling by the [Commissioner] COMMISSIONER, certificates OF  
13 QUALIFICATION shall be renewed [every 2 years] subject to the payment of the biennial  
14 fee as required in § 41 of this article AND UPON COMPLETION OF THE CONTINUING  
15 EDUCATION REQUIREMENTS IN SUBSECTION (C) OF THIS SECTION [upon request but  
16 without further action on the part of the agent or broker].

17 (2) Upon payment of the prescribed fees AND COMPLETION OF THE  
18 CONTINUING EDUCATION REQUIREMENTS prior to the date of renewal, the certificate  
19 OF QUALIFICATION shall continue in force until renewed by the Commissioner [or until  
20 such time as the Commissioner has refused for cause to renew that certificate].

21 [(2)] (C) (1) [As a condition of a certificate renewal,] SUBJECT TO  
22 SUBSECTION (D) OF THIS SECTION, the Commissioner shall require AS A CONDITION  
23 OF RENEWING A CERTIFICATE OF QUALIFICATION that an agent or broker [receive]  
24 COMPLETE THE REQUIRED continuing education BY JUNE 15 IMMEDIATELY PRIOR TO  
25 THE EXPIRATION OF THE CERTIFICATE OF QUALIFICATION.

26 [(i)] (2) [Regardless of the number of certificates an agent or broker  
27 may have, the] THE Commissioner may not require [an agent or broker] EACH  
28 INDIVIDUAL HOLDING AN AGENT'S CERTIFICATE OF QUALIFICATION, A BROKER'S  
29 CERTIFICATE OF QUALIFICATION, OR BOTH to receive:

30 [1.] (I) [If the agent or broker has been licensed for less than 25  
31 consecutive years, more] MORE than 16 [clock] hours of continuing education per  
32 [license] renewal PERIOD IF THE AGENT OR BROKER HAS HELD A CERTIFICATE OF  
33 QUALIFICATION FOR LESS THAN 25 CONSECUTIVE YEARS; and

34 [2.] (II) [If the agent or broker has been licensed for 25 or more  
35 consecutive years, more] MORE than 8 [clock] hours of continuing education per  
36 [license] renewal PERIOD IF THE AGENT OR BROKER HAS HELD A CERTIFICATE OF  
37 QUALIFICATION FOR 25 OR MORE CONSECUTIVE YEARS.

38 [(ii)] The continuing education shall promote the education level of  
39 agents and brokers in lines or specialties appropriate to the certificate category.

40 [(iii)] If continuing education is required, the Commissioner may grant a  
41 waiver when:

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- 1                               1. The agent or broker has a limited license;
- 2                               2. The agent or broker is a retiree; or
- 3                               3. The Commissioner determines that other circumstances
- 4 warrant the waiver.

5                               (iv) An agent or broker may satisfy the requirements of subparagraph  
6 (i)2 of this paragraph by submitting to the Commissioner:

- 7                               1. Proof that the agent or broker has completed 8 clock hours of
- 8 continuing education for the applicable license renewal period; and
- 9                               2. An affidavit that, over the previous 25 consecutive years, the
- 10 agent or broker has been:
  - 11                               A. Continually licensed as an agent or broker in this State; and
  - 12                               B. Continually employed in the selling of insurance in this State.

13                               (3) The Commissioner shall adopt such regulations as are necessary for the  
14 implementation of this subsection. The Commissioner may approve as continuing  
15 education, courses offered by an insurer or an agent's or broker's employer or an agent's  
16 or broker's association.]

17                               (3) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, AN AGENT OR  
18 BROKER MAY SATISFY THE CONTINUING EDUCATION REQUIREMENTS OF THIS  
19 SUBSECTION BY SUBMITTING TO THE COMMISSIONER OR HIS DESIGNEE:

20                               (I) PROOF THAT THE AGENT OR BROKER HAS COMPLETED AT  
21 LEAST 16 HOURS OF CONTINUING EDUCATION FOR THE APPLICABLE RENEWAL  
22 PERIOD; OR

23                               (II) PROOF THAT THE AGENT OR BROKER HAS COMPLETED AT  
24 LEAST 8 HOURS OF CONTINUING EDUCATION FOR THE APPLICABLE RENEWAL  
25 PERIOD AND AN AFFIDAVIT THAT, OVER THE PREVIOUS 25 CONSECUTIVE YEARS,  
26 THE AGENT OR BROKER CONTINUALLY:

27                               1. HAS HELD AN AGENT'S CERTIFICATE OF QUALIFICATION  
28 OR A BROKER'S CERTIFICATE OF QUALIFICATION IN THIS STATE; AND

29                               2. HAS BEEN EMPLOYED IN THE SELLING OF INSURANCE IN  
30 THIS STATE.

31                               (4) (I) TO PROMOTE THE EDUCATION LEVEL OF AGENTS AND  
32 BROKERS, THE CONTINUING EDUCATION SHALL BE OBTAINED IN THE KIND OR  
33 SUBDIVISION OF INSURANCE FOR WHICH THE AGENT OR BROKER HAS RECEIVED A  
34 CERTIFICATE OF QUALIFICATION.

35                               (II) EVERY AGENT OR BROKER POSSESSING A CERTIFICATE OF  
36 QUALIFICATION TO SELL HEALTH INSURANCE AND WHO SELLS LONG-TERM CARE  
37 INSURANCE SHALL RECEIVE CONTINUING EDUCATION THAT DIRECTLY RELATES  
38 TO LONG-TERM CARE INSURANCE.

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1                   [(4)] (5) In each renewal period, the Commissioner[:

2                   (i) Shall] SHALL permit an agent or broker to receive up to  
3 three-fourths of the agent's or broker's continuing education requirement from a course  
4 or courses sponsored by an insurance company or companies[; and

5                   (ii) May permit an agent or broker to receive all of the agent's or  
6 broker's continuing education requirement from a course or courses sponsored by an  
7 insurance company or companies].

8                   (6) IF CONTINUING EDUCATION IS REQUIRED, THE COMMISSIONER  
9 MAY GRANT A WAIVER TO:

10                   (I) AN AGENT OR BROKER WHO IS 70 YEARS OR OLDER; OR

11                   (II) AN AGENT OR BROKER WHO HAS REQUESTED A WAIVER FOR  
12 OTHER CIRCUMSTANCES THAT ARE DETERMINED BY THE COMMISSIONER TO  
13 WARRANT THE WAIVER.

14                   [(c) An agent's certificate of qualification may not be renewed if for a period of 2  
15 years prior to the time of renewal the agent has had no appointments from insurers doing  
16 business in this State.]

17                   (D) THE FOLLOWING PERSONS ARE EXEMPT FROM THE CONTINUING  
18 EDUCATION REQUIREMENTS IMPOSED UNDER THIS SECTION:

19                   (1) EMPLOYEES OF HEALTH MAINTENANCE ORGANIZATIONS WHO ARE  
20 EMPLOYED SOLELY TO SOLICIT MEMBERSHIP IN THE HEALTH MAINTENANCE  
21 ORGANIZATION UNDER A CONTRACT BETWEEN THE HEALTH MAINTENANCE  
22 ORGANIZATION AND THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE;

23                   (2) ATTORNEYS AT LAW OF THE STATE WHO ARE QUALIFIED AS TITLE  
24 INSURANCE AGENTS OR BROKERS AND WHO DO NOT HOLD A CERTIFICATE OF  
25 QUALIFICATION IN ANY OTHER KIND OR SUBDIVISION OF INSURANCE; AND

26                   (3) AGENTS OR BROKERS HOLDING ONLY A RESTRICTED CERTIFICATE  
27 OF QUALIFICATION IN ANY OF THE FOLLOWING TYPES OF INSURANCE:

28                   (I) CREDIT LIFE, CREDIT ACCIDENT, OR CREDIT HEALTH  
29 INSURANCE;

30                   (II) TRAVEL TICKET POLICIES OF LIFE, ACCIDENT, OR BAGGAGE  
31 INSURANCE; OR

32                   (III) ANY OTHER TYPE OF INSURANCE DESIGNATED BY THE  
33 COMMISSIONER.

34                   (E) THE COMMISSIONER SHALL REVIEW AND CONSIDER ALL CONTINUING  
35 EDUCATION COURSES SUBMITTED AND SHALL APPROVE OR DISAPPROVE COURSES  
36 UPON THE RECOMMENDATION OF THE APPLICABLE ADVISORY BOARD.

37                   (F) (1) THE COMMISSIONER SHALL APPOINT A LIFE AND HEALTH  
38 ADVISORY BOARD AND A PROPERTY AND CASUALTY ADVISORY BOARD TO ASSIST  
39 THE COMMISSIONER IN REVIEWING CONTINUING EDUCATION COURSES,

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1 EXAMINATIONS, AND OTHER MATTERS RELATING TO THE EDUCATION AND  
2 QUALIFICATION OF AGENTS AND BROKERS.

3 (2) (I) THE LIFE AND HEALTH ADVISORY BOARD SHALL CONSIST OF  
4 AT LEAST EIGHT PERSONS EXPERIENCED IN THE LIFE OR HEALTH INSURANCE  
5 BUSINESS AND MAY INCLUDE AGENTS, BROKERS, AND OFFICERS AND EMPLOYEES  
6 OF INSURERS.

7 (II) THE PROPERTY AND CASUALTY ADVISORY BOARD SHALL  
8 CONSIST OF AT LEAST EIGHT PERSONS EXPERIENCED IN THE PROPERTY OR  
9 CASUALTY INSURANCE BUSINESS AND MAY INCLUDE AGENTS, BROKERS, AND  
10 OFFICERS AND EMPLOYEES OF INSURERS.

11 (III) EACH ADVISORY BOARD UNDER THIS SUBSECTION SHALL  
12 HAVE AT LEAST TWO MEMBERS WHO ARE AGENTS OR BROKERS WITH VALID  
13 CERTIFICATES OF QUALIFICATION ISSUED IN THIS STATE.

14 (3) (I) ADVISORY BOARD MEMBERS SHALL BE:

15 1. APPOINTED FOR TERMS OF 4 YEARS; AND

16 2. ELIGIBLE FOR REAPPOINTMENT.

17 (II) ANY PERSON APPOINTED TO FILL A VACANCY SHALL SERVE  
18 FOR THE REMAINDER OF THE UNEXPIRED TERM.

19 (4) ADVISORY BOARD MEMBERS SHALL SERVE WITHOUT PAY BUT THE  
20 COMMISSIONER MAY AUTHORIZE REIMBURSEMENT FOR REASONABLE EXPENSES  
21 INCURRED BY MEMBERS FOR ATTENDING MEETINGS OF THE ADVISORY BOARD.

22 (G) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS  
23 SECTION.

24 [179.

25 (a) With respect to the education, qualifications and examinations of agents and  
26 brokers as to kinds of insurance other than life and health, the Commissioner shall  
27 appoint an advisory board of seven (7) persons, consisting of three (3) representatives of  
28 insurers, at least one of which shall be from a stock insurer and at least one of which shall  
29 be from a mutual insurer, with full regard for representation of insurers engaged in the  
30 writing of specialized kinds of insurance, three (3) insurance agents or brokers, at least  
31 one (1) of which shall be an agent for a stock insurer and at least one (1) of which shall  
32 be an agent for a mutual insurer and one (1) representative of the State Department of  
33 Education. The six (6) industry representatives shall be appointed to serve terms of three  
34 (3) years each.

35 (b) With respect to the education, qualifications and examinations of agents,  
36 brokers and solicitors as to life and health insurance the Commissioner shall appoint an  
37 advisory board of eight (8) persons. This advisory board shall consist of individuals  
38 experienced in the life and health insurance business, and may include agents, officers  
39 and employees of insurers, and brokers. Members shall be appointed for terms of four  
40 years, except that any person appointed to fill a vacancy shall serve only for the unexpired  
41 term. Any member of the advisory board shall be eligible for reappointment.

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1 (c) The present advisory boards are continued and appointments of members  
2 made prior to December 31, 1963, shall continue in effect.

3 (d) The members of the advisory boards shall serve without pay but, upon  
4 authorization of the Commissioner, shall be reimbursed for their reasonable expenses in  
5 attending meetings of the advisory board.]

6 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
7 read as follows:

8 **Article 48A - Insurance Code**

9 [170.1.

10 As part of the continuing education requirements under this title, the Commissioner  
11 shall require agents and brokers that sell or issue long-term care insurance to receive  
12 continuing education directly relating to long-term care insurance before an agent can  
13 offer long-term care insurance for sale.]

14 170.1.

15 (A) (1) IF AN APPLICATION FOR RENEWAL OF AN AGENT'S OR BROKER'S  
16 CERTIFICATE OF QUALIFICATION HAS NOT BEEN RECEIVED BY THE COMMISSIONER  
17 ON OR BEFORE JUNE 30 OF THE YEAR OF RENEWAL, IN ACCORDANCE WITH § 170 OF  
18 THIS ARTICLE, THE CERTIFICATE OF QUALIFICATION SHALL EXPIRE AT THE END OF  
19 THE JUNE 30 IMMEDIATELY PRECEDING THE RENEWAL DATE.

20 (2) IF A CERTIFICATE OF QUALIFICATION EXPIRES UNDER PARAGRAPH  
21 (1) OF THIS SUBSECTION, THE APPOINTMENTS HELD BY THE AGENT SHALL BE  
22 TERMINATED AS OF THE DAY OF THE EXPIRATION OF THE CERTIFICATE.

23 (B) ON OR BEFORE SEPTEMBER 30 OF THE RENEWAL YEAR, A PERSON WHOSE  
24 CERTIFICATE OF QUALIFICATION HAS EXPIRED MAY REINSTATE THE EXPIRED  
25 CERTIFICATE BY:

26 (1) FILING WITH THE COMMISSIONER THE APPROPRIATE  
27 REINSTATEMENT APPLICATION;

28 (2) PAYING TO THE COMMISSIONER THE APPLICABLE REINSTATEMENT  
29 FEE REQUIRED UNDER SUBSECTION (C) OF THIS SECTION; AND

30 (3) SUBMITTING PROOF OF COMPLETION OF THE CONTINUING  
31 EDUCATION REQUIREMENTS IN § 170(C) OF THIS ARTICLE.

32 (C) THE FEE FOR A REINSTATEMENT UNDER THIS SECTION SHALL BE TWICE  
33 THE AMOUNT CHARGED FOR A FULL RENEWAL PERIOD FOR THE TYPE OF  
34 CERTIFICATE OF QUALIFICATION HELD BY THE PERSON SEEKING THE  
35 REINSTATEMENT.

36 (D) (1) A PERSON WHOSE BROKER'S CERTIFICATE OF QUALIFICATION HAS  
37 EXPIRED MAY NOT CONDUCT ANY INSURANCE BUSINESS UNTIL THE EFFECTIVE  
38 DATE OF REINSTATEMENT OF THE CERTIFICATE OF QUALIFICATION.



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1 (2) A PERSON WHOSE AGENT'S CERTIFICATE OF QUALIFICATION HAS  
2 EXPIRED MAY NOT CONDUCT ANY INSURANCE BUSINESS UNLESS THE PERSON:

3 (I) HAS OBTAINED A REINSTATEMENT OF THE CERTIFICATE OF  
4 QUALIFICATION; AND

5 (II) HAS OBTAINED AN APPOINTMENT FROM AT LEAST ONE  
6 INSURER.

7 (E) A PERSON WHO DOES NOT COMPLY WITH SUBSECTION (B) OF THIS  
8 SECTION ON OR BEFORE THE END OF SEPTEMBER 30 OF THE YEAR OF EXPIRATION  
9 SHALL APPLY FOR A CERTIFICATE OF QUALIFICATION UNDER § 168 OF THIS ARTICLE  
10 AND MEET THE REQUIREMENTS SPECIFIED BY THE COMMISSIONER IN  
11 REGULATION.

12 (F) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS  
13 SECTION.

14 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
15 read as follows:

16 **Article 48A - Insurance Code**

17 175.

18 (a) An original application for a certificate may be refused until the  
19 Commissioner is satisfied under the provisions of §§ 35-39 that the applicant is not guilty  
20 of violating any provisions of this section. A certificate duly issued may be suspended or  
21 revoked or the renewal OR REINSTATEMENT thereof refused by the Commissioner if he  
22 finds, after notice and OPPORTUNITY FOR A hearing in accordance with the provisions of  
23 §§ 35-39, that the applicant for, or holder of such certificate:

24 (1) Has wilfully violated any provision of this article or of any other law of  
25 this State relating to insurance as herein defined, or relating to another type of insurance;  
26 or

27 (2) Has intentionally misrepresented or concealed any material fact in the  
28 application for such certificate; or

29 (3) Has obtained, or attempted to obtain, such certificate by  
30 misrepresentation, concealment, or other fraud; or

31 (4) Has misappropriated, converted or unlawfully withheld money belonging  
32 to an insurer, agent, broker, beneficiary, or an insured; or

33 (5) Has wilfully and materially misrepresented the provisions of an  
34 insurance policy; or

35 (6) Has committed fraudulent or dishonest practices in the business of  
36 insurance; or

37 (6A) Has participated with or without the knowledge of an insurer in the  
38 selling of motor vehicle insurance without any bona fide intention to sell such insurance,  
39 as evidenced by a persistent pattern of filing of certificates of insurance together with or

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1 closely followed by cancellation notices for such insurance under the Unsatisfied Claim  
2 and Judgment Fund Law; or

3 (7) Has been convicted by final judgment in any State or federal court of a  
4 crime involving moral turpitude; or

5 (8) Has knowingly participated in the writing or issuance of substantial  
6 over-insurance of any property insurance risks; or

7 (9) Has failed to pass an examination required pursuant to this subtitle; or

8 (10) Has wilfully failed to comply with, or has wilfully violated, any proper  
9 order, rule or regulation issued by the Commissioner; or

10 (11) Has failed or refused, upon demand, to pay over any money in his hands  
11 which belongs to an insurer, agent, broker, or other person entitled to receive the same;  
12 or

13 (12) Has otherwise shown lack of trustworthiness or lack of competence to  
14 act as agent or broker; or

15 (13) Is not or does not intend to carry on business in good faith and hold  
16 himself out to the public as an agent or broker; or

17 (14) Has been refused a license or certificate or had his license suspended or  
18 revoked in another state; or

19 (15) Has intentionally or wilfully made or issued, or caused to be made or  
20 issued, any statement materially misrepresenting or making incomplete comparisons  
21 regarding the terms or conditions of any policy or contract issued by any authorized  
22 insurer, for the purpose of inducing or attempting to induce the owner of such policy or  
23 contract to forfeit or surrender such contract or allow it to lapse for the purpose of  
24 replacing such policy or contract with another; or

25 (16) Has transacted insurance business which was directed to him for  
26 consideration by a person whose license or certificate to engage in the insurance business,  
27 at that time, was suspended or revoked and the applicant for or holder of such license or  
28 certificate knew or should have known that the person's license or certificate was  
29 suspended or revoked; or

30 (17) If applying for renewal of an agent's certificate, has not held an  
31 appointment with an insurer for more than 2 years from the date of renewal; or

32 (18) Has solicited, procured, or negotiated for an unauthorized insurer  
33 insurance contracts, including contracts for nonprofit health service plans, dental plan  
34 organizations, and health maintenance organizations; or

35 (19) Has knowingly employed or knowingly continued to employ an  
36 individual acting in a fiduciary capacity who has been convicted of a felony or crime of  
37 moral turpitude within the preceding 10 years.

38 (b) (1) Subject to the hearing provisions of §§ 35 through 39 of this article, the  
39 Commissioner may deny, refuse to renew OR REINSTATE, suspend, or revoke the

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1 certificate of qualification of a limited liability company, corporation, or partnership if an  
2 individual [who has direct control over its fiscal management or an agent, broker,  
3 director, officer, partner, member, manager, owner, or employee of a limited liability  
4 company, a partnership, or a corporation] LISTED IN PARAGRAPH (2) OF THIS  
5 SUBSECTION has:

6 [(1)] (I) Violated any provision of this subtitle;

7 [(2)] (II) Been convicted of a felony, a crime of moral turpitude, or any  
8 criminal offense involving dishonesty or breach of trust; or

9 [(3)] (III) Had any professional license suspended or revoked for a  
10 fraudulent or dishonest practice.

11 (2) THIS SUBSECTION SHALL APPLY IN ANY CASE INVOLVING A LIMITED  
12 LIABILITY COMPANY, CORPORATION, OR PARTNERSHIP IN WHICH THE VIOLATION  
13 WAS COMMITTED BY AN INDIVIDUAL WHO IS:

14 (I) AN AGENT OR BROKER;

15 (II) 1. IN THE CASE OF A LIMITED LIABILITY COMPANY, AN  
16 OFFICER, DIRECTOR, MEMBER, OR MANAGER;

17 2. IN THE CASE OF A CORPORATION, A DIRECTOR, OFFICER,  
18 OR OWNER; AND

19 3. IN THE CASE OF A PARTNERSHIP, A PARTNER; OR

20 (III) AN INDIVIDUAL WITH DIRECT CONTROL OVER THE FISCAL  
21 MANAGEMENT OF THE LIMITED LIABILITY COMPANY, CORPORATION, OR  
22 PARTNERSHIP.

23 176.

24 (e) [The Commissioner may require an examination to establish the competency  
25 of an individual whose certificate has been terminated under § 170(c) of this subtitle.] In  
26 cases where the [license] CERTIFICATE OF QUALIFICATION has been suspended [or  
27 revoked] as provided in § 175 of this subtitle, the Commissioner may in his discretion  
28 require the applicant to pass an examination and file a new application before  
29 [reinstatement] THE SUSPENSION IS LIFTED.

30 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
31 read as follows:

32 **Article 48A - Insurance Code**

33 181.

34 (e) (1) Every public adjuster [license] CERTIFICATE OF QUALIFICATION  
35 shall expire [on the thirty-first day of December of every odd-numbered year] AT THE  
36 END OF EVERY OTHER JUNE 30, but if an application for the renewal of any such  
37 certificate shall have been filed with the Commissioner ON OR before [January first]  
38 JUNE 30 of any year the [license] CERTIFICATE sought to be renewed shall continue in  
39 full force and effect until the issuance by the Commissioner of the new [license]

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1 CERTIFICATE or until five days after the Commissioner shall have refused in writing to  
2 issue such new [license] CERTIFICATE and shall have served notice of such refusal on  
3 the applicant therefor.

4 (2) To renew a public adjuster's [license, a licensee] CERTIFICATE OF  
5 QUALIFICATION, THE CERTIFICATE HOLDER shall submit to the Commissioner:

6 (i) A renewal application in the form prescribed by the  
7 Commissioner; and

8 (ii) The biennial [license] renewal fee prescribed by [§ 41(7)(iii)] §  
9 41 of this article.

10 181.1.

11 (A) IF AN APPLICATION FOR RENEWAL OF A PUBLIC ADJUSTER'S  
12 CERTIFICATE OF QUALIFICATION HAS NOT BEEN RECEIVED BY THE COMMISSIONER  
13 ON OR BEFORE JUNE 30 OF THE YEAR OF RENEWAL, IN ACCORDANCE WITH § 181(E)  
14 OF THIS ARTICLE, THE CERTIFICATE OF QUALIFICATION SHALL EXPIRE AT THE END  
15 OF THE JUNE 30 IMMEDIATELY PRECEDING THE RENEWAL DATE.

16 (B) ON OR BEFORE SEPTEMBER 30 OF THE RENEWAL YEAR, A PERSON WHOSE  
17 PUBLIC ADJUSTER'S CERTIFICATE OF QUALIFICATION HAS EXPIRED MAY  
18 REINSTATE THE EXPIRED CERTIFICATE BY:

19 (1) FILING WITH THE COMMISSIONER THE APPROPRIATE  
20 REINSTATEMENT APPLICATION; AND

21 (2) PAYING TO THE COMMISSIONER THE APPLICABLE REINSTATEMENT  
22 FEE REQUIRED UNDER SUBSECTION (C) OF THIS SECTION.

23 (C) THE FEE FOR A REINSTATEMENT UNDER THIS SECTION SHALL BE TWICE  
24 THE AMOUNT CHARGED FOR A FULL RENEWAL PERIOD FOR THE TYPE OF  
25 CERTIFICATE OF QUALIFICATION HELD BY THE PERSON SEEKING THE  
26 REINSTATEMENT.

27 (D) A PERSON WHOSE PUBLIC ADJUSTER'S CERTIFICATE OF QUALIFICATION  
28 HAS EXPIRED MAY NOT ACT AS A PUBLIC ADJUSTER UNTIL THE EFFECTIVE DATE OF  
29 REINSTATEMENT OF THE CERTIFICATE OF QUALIFICATION.

30 (E) A PERSON WHO DOES NOT COMPLY WITH SUBSECTION (B) OF THIS  
31 SECTION ON OR BEFORE THE END OF SEPTEMBER 30 OF THE YEAR OF EXPIRATION  
32 SHALL APPLY FOR A PUBLIC ADJUSTER'S CERTIFICATE OF QUALIFICATION UNDER §  
33 181 OF THIS ARTICLE AND MEET ANY OTHER REQUIREMENTS SPECIFIED BY THE  
34 COMMISSIONER IN REGULATION.

35 (F) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS  
36 SECTION.

37 182.

38 (h) Every insurance adviser's [license] CERTIFICATE OF QUALIFICATION  
39 issued pursuant to this section shall be for a term expiring [on the thirty-first day of  
40 December of every odd-numbered year] AT THE END OF EVERY OTHER JUNE 30, and

13

1 may be renewed for the ensuing years upon the filing of an application in conformity with  
2 subsection (e). If an application for a renewal [license] CERTIFICATE shall have been  
3 filed with the Commissioner ON OR before [January first] JUNE 30 of the [licensing]  
4 RENEWAL year, the [license] CERTIFICATE sought to be renewed shall continue in full  
5 force and effect either until the issuance of the renewal [license] CERTIFICATE or until  
6 five days after the Commissioner shall have refused to issue such renewal [license]  
7 CERTIFICATE and shall have given notice of such refusal to the applicant.

8 (i) No [license or renewal license] NO CERTIFICATE, RENEWAL CERTIFICATE,  
9 OR REINSTATED CERTIFICATE shall be issued to any applicant unless there shall be on  
10 file with the Commissioner a bond, approved by him as to form and sufficiency of security,  
11 executed by the applicant and by an authorized surety insurer, in the penal sum of one  
12 thousand dollars, conditioned upon the faithful performance by the [licensee]  
13 CERTIFICATE HOLDER named in the [license] CERTIFICATE of his duties as insurance  
14 adviser. The bond shall be made to the State of Maryland, and shall specifically authorize  
15 recovery by the State of the penal sum provided therein in case the insurance adviser shall  
16 have been guilty of fraudulent or dishonest practices in connection with the transaction of  
17 his or its business as an insurance adviser.

18 182.1.

19 (A) IF AN APPLICATION FOR RENEWAL OF AN INSURANCE ADVISER'S  
20 CERTIFICATE OF QUALIFICATION HAS NOT BEEN RECEIVED BY THE COMMISSIONER  
21 ON OR BEFORE JUNE 30 OF THE YEAR OF RENEWAL, IN ACCORDANCE WITH § 182(H)  
22 OF THIS ARTICLE, THE CERTIFICATE OF QUALIFICATION SHALL EXPIRE AT THE END  
23 OF THE JUNE 30 IMMEDIATELY PRECEDING THE RENEWAL DATE.

24 (B) ON OR BEFORE SEPTEMBER 30 OF THE RENEWAL YEAR, A PERSON WHOSE  
25 INSURANCE ADVISER'S CERTIFICATE OF QUALIFICATION HAS EXPIRED MAY  
26 REINSTATE THE EXPIRED CERTIFICATE BY:

27 (1) FILING WITH THE COMMISSIONER THE APPROPRIATE  
28 REINSTATEMENT APPLICATION; AND

29 (2) PAYING TO THE COMMISSIONER THE APPLICABLE REINSTATEMENT  
30 FEE REQUIRED UNDER SUBSECTION (C) OF THIS SECTION.

31 (C) THE FEE FOR A REINSTATEMENT UNDER THIS SECTION SHALL BE TWICE  
32 THE AMOUNT CHARGED FOR A FULL RENEWAL PERIOD FOR THE TYPE OF  
33 CERTIFICATE OF QUALIFICATION HELD BY THE PERSON SEEKING THE  
34 REINSTATEMENT.

35 (D) A PERSON WHOSE INSURANCE ADVISER'S CERTIFICATE OF  
36 QUALIFICATION HAS EXPIRED MAY NOT ACT AS AN INSURANCE ADVISER UNTIL  
37 THE EFFECTIVE DATE OF REINSTATEMENT OF THE CERTIFICATE OF  
38 QUALIFICATION.

39 (E) A PERSON WHO DOES NOT COMPLY WITH SUBSECTION (B) OF THIS  
40 SECTION ON OR BEFORE THE END OF SEPTEMBER 30 OF THE YEAR OF EXPIRATION  
41 SHALL APPLY FOR AN INSURANCE ADVISER'S CERTIFICATE OF QUALIFICATION  
42 UNDER § 182 OF THIS ARTICLE AND MEET ANY OTHER REQUIREMENTS SPECIFIED  
43 BY THE COMMISSIONER IN REGULATION.

14

1 (F) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS  
2 SECTION.

3 188.

4 Any person who is qualified to be a broker as to property[, casualty and surety  
5 insurances] AND CASUALTY INSURANCE, and who is deemed by the Commissioner to  
6 be competent and trustworthy, may be qualified as a surplus line broker as follows:

7 (1) Application to the Commissioner for the certificate of qualification shall  
8 be on forms furnished by the Commissioner.

9 (2) The fee shall be as prescribed by § 41 of this article.

10 (3) Each certificate of qualification shall be issued for a term expiring [on]  
11 AT THE END OF EVERY OTHER June 30 [of the next odd-numbered year] following the  
12 date of issuance and may be renewed biennially thereafter.

13 (4) Before the issuance of the certificate of qualification or any renewal OR  
14 REINSTATEMENT thereof, the applicant shall file with the Commissioner, a bond, to be  
15 approved by the Commissioner and made payable to the State of Maryland, executed by  
16 such applicant as principal and by a corporate surety authorized to do business in this  
17 State, in the penal sum of \$10,000, conditioned that the broker will conduct the business  
18 in accordance with the provisions of this article and that he will remit promptly the taxes  
19 provided for in § 194. The aggregate liability of the surety for any and all claims on any  
20 such bond shall in no event exceed the penal sum thereof. No such bond shall be  
21 terminated unless prior to such termination 30 days' written notice is filed with the  
22 Commissioner.

23 188.1.

24 (A) IF AN APPLICATION FOR RENEWAL OF A SURPLUS LINES BROKER'S  
25 CERTIFICATE OF QUALIFICATION HAS NOT BEEN RECEIVED BY THE COMMISSIONER  
26 ON OR BEFORE JUNE 30 OF THE YEAR OF RENEWAL, IN ACCORDANCE WITH § 188 OF  
27 THIS ARTICLE, THE CERTIFICATE OF QUALIFICATION SHALL EXPIRE AT THE END OF  
28 THE JUNE 30 IMMEDIATELY PRECEDING THE RENEWAL DATE.

29 (B) ON OR BEFORE SEPTEMBER 30 OF THE RENEWAL YEAR, A PERSON WHOSE  
30 SURPLUS LINES BROKER'S CERTIFICATE OF QUALIFICATION HAS EXPIRED MAY  
31 REINSTATE THE EXPIRED CERTIFICATE BY:

32 (1) FILING WITH THE COMMISSIONER THE APPROPRIATE  
33 REINSTATEMENT APPLICATION;

34 (2) PAYING TO THE COMMISSIONER THE APPLICABLE REINSTATEMENT  
35 FEE REQUIRED UNDER SUBSECTION (C) OF THIS SECTION; AND

36 (3) COMPLYING WITH THE BOND REQUIREMENT OF § 188 OF THIS  
37 ARTICLE.

38 (C) THE FEE FOR A REINSTATEMENT UNDER THIS SECTION SHALL BE TWICE  
39 THE AMOUNT CHARGED FOR A FULL RENEWAL PERIOD FOR THE TYPE OF

15

1 CERTIFICATE OF QUALIFICATION HELD BY THE PERSON SEEKING THE  
2 REINSTATEMENT.

3 (D) A PERSON WHOSE SURPLUS LINES BROKER'S CERTIFICATE OF  
4 QUALIFICATION HAS EXPIRED MAY NOT ACT AS A SURPLUS LINES BROKER UNTIL  
5 THE EFFECTIVE DATE OF REINSTATEMENT OF THE CERTIFICATE OF  
6 QUALIFICATION.

7 (E) A PERSON WHO DOES NOT COMPLY WITH SUBSECTION (B) OF THIS  
8 SECTION ON OR BEFORE THE END OF SEPTEMBER 30 OF THE YEAR OF EXPIRATION  
9 SHALL APPLY FOR A SURPLUS LINES BROKER'S CERTIFICATE OF QUALIFICATION  
10 UNDER § 188 OF THIS ARTICLE AND MEET ANY OTHER REQUIREMENTS SPECIFIED  
11 BY THE COMMISSIONER IN REGULATION.

12 (F) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS  
13 SECTION.

14 685.

15 (a) An applicant for registration shall:

16 (1) Submit to the Commissioner an application on the form that the  
17 Commissioner requires; and

18 (2) Pay to the Commissioner an application fee of \$250.

19 (b) (1) Unless a registration is renewed [for a 1-year term] as provided in this  
20 subsection, the registration expires [on the May 1 that comes after the effective date of  
21 the registration] AT THE END OF EVERY OTHER JUNE 30.

22 (2) Before a registration expires, the registered administrator may renew it  
23 for an additional [1-year] 2-YEAR term, if the administrator:

24 (i) Is otherwise entitled to be registered; and

25 (ii) Pays to the Commissioner a renewal fee of [\$25] \$50.

26 685.1.

27 (A) ON OR BEFORE SEPTEMBER 30 OF THE RENEWAL YEAR, A PERSON WHOSE  
28 THIRD PARTY ADMINISTRATOR'S REGISTRATION HAS EXPIRED MAY REINSTATE  
29 THE EXPIRED REGISTRATION BY:

30 (1) FILING WITH THE COMMISSIONER THE APPROPRIATE  
31 REINSTATEMENT APPLICATION;

32 (2) PAYING TO THE COMMISSIONER THE APPLICABLE REINSTATEMENT  
33 FEE REQUIRED UNDER SUBSECTION (C) OF THIS SECTION; AND

34 (3) COMPLYING WITH THE BOND REQUIREMENTS OF § 684 OF THIS  
35 SUBTITLE.

36 (B) THE FEE FOR A REINSTATEMENT UNDER THIS SECTION SHALL BE TWICE  
37 THE AMOUNT CHARGED FOR A FULL RENEWAL PERIOD FOR THE REGISTRATION  
38 HELD BY THE PERSON SEEKING THE REINSTATEMENT.

16

1 (C) A PERSON WHOSE THIRD PARTY ADMINISTRATOR'S REGISTRATION HAS  
2 EXPIRED MAY NOT ACT AS A THIRD PARTY ADMINISTRATOR UNTIL THE EFFECTIVE  
3 DATE OF REINSTATEMENT OF THE REGISTRATION.

4 (D) A PERSON WHO DOES NOT COMPLY WITH SUBSECTION (A) OF THIS  
5 SECTION ON OR BEFORE THE END OF SEPTEMBER 30 OF THE YEAR OF EXPIRATION  
6 SHALL APPLY FOR A THIRD PARTY ADMINISTRATOR'S REGISTRATION UNDER § 685  
7 OF THIS ARTICLE AND MEET ANY OTHER REQUIREMENTS SPECIFIED BY THE  
8 COMMISSIONER IN REGULATION.

9 (E) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS  
10 SECTION.

11 SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
12 read as follows:

13 **Article - Insurance**

14 3-311.

15 An applicant for a certificate of qualification must be:

16 (1) qualified as a broker for property insurance[, casualty insurance, and  
17 surety insurance] AND CASUALTY INSURANCE; and

18 (2) competent and trustworthy, as determined by the Commissioner.

19 10-104.

20 (a) To qualify for a certificate of qualification as an agent or broker for insurance  
21 other than life insurance, health insurance, OR annuities, or [limited lines] A  
22 RESTRICTED CERTIFICATE as provided in §§ 10-122, 10-123, 10-124, and 10-125 of this  
23 subtitle, an individual applicant must meet the requirements of this section.

24 (e) The Commissioner may waive the requirements of subsections (c) and (d) of  
25 this section for an applicant for a certificate of qualification for property insurance[,  
26 casualty insurance, surety insurance, or marine insurance] OR CASUALTY INSURANCE if  
27 the applicant:

28 (1) (i) has been conferred the Chartered Property Casualty Underwriter  
29 (C.P.C.U.) designation by The American Institute [of ] FOR CHARTERED Property  
30 [and Liability ] CASUALTY Underwriters[, Inc.]; and

31 (ii) is a member in good standing of the Society of Chartered Property  
32 and Casualty Underwriters;

33 (2) has been conferred the designation of Fellow of the Casualty Actuarial  
34 Society; or

35 (3) has been conferred the designation of Certified Insurance Counselor  
36 (CIC) by the Society of Certified Insurance Counselors.



17

1 10-107.

2 (a) An INDIVIDUAL applicant may not be required to take an examination that  
3 relates to any kind of insurance other than as requested by the applicant.

4 (b) If [the] AN INDIVIDUAL applicant requests, the examination shall be  
5 administered to allow the applicant to be tested in more than one kind of insurance in  
6 one day.

7 (c) An INDIVIDUAL applicant for an examination specified in this subtitle or  
8 Title 10, Subtitle 2 or Subtitle 4 of this article shall pay the fee required under this article  
9 in the manner specified by the Commissioner.

10 10-108.

11 (a) An INDIVIDUAL applicant who otherwise qualifies for a certificate of  
12 qualification for insurance other than life insurance, health insurance, OR annuities[, or  
13 limited lines] is entitled to be examined as provided in this section.

14 (b) To determine the competence of [the] AN INDIVIDUAL applicant as to the  
15 kind or subdivision of insurance for which the applicant wants to become qualified, the  
16 applicant shall pass a written examination that relates to that kind or subdivision of  
17 insurance.

18 (c) The Commissioner shall adopt reasonable regulations that specify:

19 (1) the scope, type, conduct, and grading of the written examinations;

20 (2) the frequency, times, and locations within the State where the written  
21 examinations will be held; and

22 (3) the educational requirements for an INDIVIDUAL applicant to be  
23 eligible to take a written examination.

24 (d) Before taking a written examination, an INDIVIDUAL applicant shall:

25 (1) (I) demonstrate to the Commissioner that the applicant has  
26 completed the educational requirements set out by the Commissioner; OR

27 (II) SUBMIT TO THE COMMISSIONER AT THE TIME OF THE  
28 EXAMINATION AN AFFIDAVIT FROM THE EMPLOYER OF THE APPLICANT STATING  
29 FACTS THAT SHOW COMPLIANCE WITH THE APPLICABLE REQUIREMENTS OF §  
30 10-104(C)(2) OR (3) OF THIS SUBTITLE, IF THE APPLICANT QUALIFIES BY MEETING  
31 THE EXPERIENCE REQUIREMENTS OF § 10-104(C)(2) OR (3) OF THIS SUBTITLE; and

32 (2) pay the application fee required under § 2-112(a)(4)(iii) of this article.

33 (e) All written examinations shall be graded within 30 days following the date of  
34 the examination.

35 (F) AN INDIVIDUAL APPLICANT WHO FAILS AN EXAMINATION MAY NOT  
36 TAKE ANOTHER EXAMINATION UNTIL AT LEAST 14 DAYS AFTER THE DATE OF THE  
37 LAST EXAMINATION THAT THE APPLICANT FAILED.

18

1 10-109.

2 (a) An INDIVIDUAL applicant who otherwise qualifies for a certificate of  
3 qualification for life insurance, health insurance, annuities, nonprofit health service  
4 plans, dental plan organizations, or health maintenance organizations is entitled to be  
5 examined as provided in this section.

6 (b) (1) Each INDIVIDUAL applicant must pass a personal written examination  
7 to determine:

8 (i) the competence of the applicant as to life insurance, health  
9 insurance, or annuities or to any subdivision of them, including contracts for nonprofit  
10 health service plans, vision plans, dental plan organizations, and health maintenance  
11 organizations; and

12 (ii) the familiarity of the applicant with the applicable laws of the  
13 State.

14 (2) Each examination must be graded within 30 days after the date of the  
15 examination.

16 (c) An INDIVIDUAL applicant who fails an examination may not take another  
17 examination until at least 14 days after the date of the last examination that the applicant  
18 failed.

19 (d) The Commissioner shall adopt reasonable regulations that specify:

20 (1) the scope, type, conduct, and grading of the written examinations;

21 (2) the frequency, times, and places in the State where the written  
22 examinations will be held; and

23 (3) subject to § 10-105(c) of this article, the educational requirements for an  
24 INDIVIDUAL applicant to be eligible to take a written examination.

25 10-111.

26 (a) [An individual] A PERSON who has a valid certificate of qualification as a  
27 broker for the kind or subdivision of insurance for which the [individual] PERSON  
28 intends to act as an agent may obtain a certificate of qualification to act as an agent for  
29 that kind or subdivision of insurance if the [individual] PERSON pays to the  
30 Commissioner the applicable fee for an initial agent certificate of qualification as  
31 required by § 2-112 of this article.

32 (b) [ An individual] A PERSON who has a valid certificate of qualification as an  
33 agent for the kind or subdivision of insurance for which the [individual] PERSON intends  
34 to act as a broker may obtain a certificate of qualification to act as a broker for that kind  
35 or subdivision of insurance if the [individual] PERSON:

36 (1) pays to the Commissioner the applicable fee for an initial broker  
37 certificate of qualification as required by § 2-112 of this article; and

38 (2) files with the Commissioner a bond as provided in § 10-112 of this  
39 subtitle.

19

1 10-112.

2 (a) [ An applicant] A PERSON WHO APPLIES for a certificate of qualification as  
3 an agent or broker shall:

4 (1) file [with the Commissioner] the appropriate application on the form  
5 AND IN THE MANNER that the Commissioner provides;

6 (2) pay [to the Commissioner ]the applicable fee required by § 2-112 of  
7 this article for an agent certificate of qualification or a broker certificate of qualification;

8 (3) [ (i)] file [with the Commissioner] on the form AND IN THE MANNER  
9 that the Commissioner provides:

10 [1.] (I) any agency or trade name to be used by the applicant;

11 [2.] (II) the business address of the applicant; and

12 [3.] (III) the name and residence address of each individual who  
13 holds a certificate of qualification and does business under the agency or trade name; and

14 [(ii) pay to the Commissioner the fee required by § 2-112 of this article  
15 for filing a trade name;]

16 (4) [ submit to the Commissioner an affidavit from the employer of the  
17 applicant stating facts that show compliance with the applicable requirements of §  
18 10-104(c)(2) or (3) of this subtitle, if the applicant qualifies by meeting the experience  
19 requirements of § 10-104(c)(2) or (3) of this subtitle; and

20 (5)] submit to the Commissioner any additional information or  
21 documentation that the Commissioner requires, including any information or  
22 documentation to determine the professional competence, good character, and  
23 trustworthiness of the applicant.

24 10-125.

25 (d) Notwithstanding any other provision of this subtitle:

26 (1) the bonding requirements of this subtitle relating to title insurance  
27 agents and title insurance brokers do not apply to law firms and individual attorneys  
28 practicing law in law firms;

29 (2) the limited liability company, corporate, and partnership requirements  
30 of this subtitle relating to title insurance agents and title insurance brokers do not apply  
31 to law firms; and

32 (3) the education, experience, and examination requirements of this subtitle  
33 relating to title insurance agents and title insurance brokers do not apply to individual  
34 attorneys [or law firms].

35 SECTION 6. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
36 read as follows:

20

1                   **Article - Insurance**

2 3-316.

3                   (a) Unless a certificate of qualification is renewed for a 2-year term as provided  
4 in this section, the certificate of qualification expires on the first June 30 that comes after  
5 its effective date [and in an odd-numbered year].

6                   (b) At least 1 month before a certificate of qualification expires, the  
7 Commissioner shall mail to the holder of the certificate of qualification, at the last known  
8 address of the holder:

9                               (1) a renewal application form; and

10                              (2) a notice that states:

11                                       (i) the date by which the Commissioner must receive the renewal  
12 application for the renewal to be issued and mailed before the certificate of qualification  
13 expires; and

14                                       (ii) the amount of the renewal fee.

15                   (c) Before a certificate of qualification expires, the holder periodically may renew  
16 it for an additional 2-year term, if the holder:

17                               (1) otherwise is entitled to a certificate of qualification;

18                               (2) submits to the Commissioner a renewal application on the form that the  
19 Commissioner provides;

20                               (3) pays to the Commissioner the renewal fee required by § 2-112 of this  
21 article; and

22                               (4) complies with the bond requirement of § 3-313 of this subtitle.

23                   (d) The Commissioner shall renew the certificate of qualification of each holder  
24 who meets the requirements of this section.

25 3-316.1.

26                   (A) ON OR BEFORE SEPTEMBER 30 OF THE RENEWAL YEAR, A PERSON WHOSE  
27 SURPLUS LINES BROKER'S CERTIFICATE OF QUALIFICATION HAS EXPIRED MAY  
28 REINSTATE THE EXPIRED CERTIFICATE OF QUALIFICATION BY:

29                               (1) FILING WITH THE COMMISSIONER THE APPROPRIATE  
30 REINSTATEMENT APPLICATION;

31                               (2) PAYING TO THE COMMISSIONER THE APPLICABLE REINSTATEMENT  
32 FEE REQUIRED UNDER SUBSECTION (B) OF THIS SECTION; AND

33                               (3) COMPLYING WITH THE BOND REQUIREMENT OF § 3-313 OF THIS  
34 SUBTITLE.

35                   (B) THE FEE FOR A REINSTATEMENT UNDER THIS SECTION SHALL BE TWICE  
36 THE AMOUNT CHARGED FOR A FULL RENEWAL PERIOD FOR THE TYPE OF

21

1 CERTIFICATE OF QUALIFICATION HELD BY THE PERSON SEEKING THE  
2 REINSTATEMENT.

3 (C) A PERSON WHOSE SURPLUS LINES BROKER'S CERTIFICATE OF  
4 QUALIFICATION HAS EXPIRED MAY NOT ACT AS A SURPLUS LINES BROKER UNTIL  
5 THE EFFECTIVE DATE OF REINSTATEMENT OF THE CERTIFICATE OF  
6 QUALIFICATION.

7 (D) A PERSON WHO DOES NOT COMPLY WITH SUBSECTION (A) OF THIS  
8 SECTION ON OR BEFORE THE END OF SEPTEMBER 30 OF THE YEAR OF EXPIRATION  
9 SHALL APPLY FOR A SURPLUS LINES BROKER'S CERTIFICATE OF QUALIFICATION  
10 UNDER § 3-312 OF THIS SUBTITLE AND MEET ANY OTHER REQUIREMENTS SPECIFIED  
11 BY THE COMMISSIONER IN REGULATION.

12 (E) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS  
13 SECTION.

14 8-308.

15 (a) A registration expires [on the first May 1 after its effective date ] AT THE  
16 END OF EVERY OTHER JUNE 30 unless it is renewed as provided in this section.

17 (b) Before a registration expires, the registrant may renew it for an additional  
18 [1-year] 2-YEAR term, if the registrant:

19 (1) otherwise is entitled to be registered;

20 (2) files with the Commissioner a renewal application on the form that the  
21 Commissioner requires;

22 (3) pays to the Commissioner a renewal fee of [\$25] \$50; and

23 (4) except as provided in § 8-306(d) of this subtitle, file with the  
24 Commissioner evidence of a bond in compliance with § 8-306 of this subtitle.

25 (c) The Commissioner shall renew the registration of each registrant that meets  
26 the requirements of this section.

27 8-308.1.

28 (A) ON OR BEFORE SEPTEMBER 30 OF THE RENEWAL YEAR, A PERSON WHOSE  
29 THIRD PARTY ADMINISTRATOR'S REGISTRATION HAS EXPIRED MAY REINSTATE  
30 THE EXPIRED REGISTRATION BY:

31 (1) FILING WITH THE COMMISSIONER THE APPROPRIATE  
32 REINSTATEMENT APPLICATION;

33 (2) PAYING TO THE COMMISSIONER THE APPLICABLE REINSTATEMENT  
34 FEE REQUIRED UNDER SUBSECTION (B) OF THIS SECTION; AND

35 (3) COMPLYING WITH THE BOND REQUIREMENT OF § 8-306 OF THIS  
36 SUBTITLE.

22

1 (B) THE FEE FOR A REINSTATEMENT UNDER THIS SECTION SHALL BE TWICE  
2 THE AMOUNT CHARGED FOR A FULL RENEWAL PERIOD FOR THE TYPE OF  
3 REGISTRATION HELD BY THE PERSON SEEKING THE REINSTATEMENT.

4 (C) A PERSON WHOSE THIRD PARTY ADMINISTRATOR'S REGISTRATION HAS  
5 EXPIRED MAY NOT ACT AS A THIRD PARTY ADMINISTRATOR UNTIL THE EFFECTIVE  
6 DATE OF REINSTATEMENT OF THE REGISTRATION.

7 (D) A PERSON WHO DOES NOT COMPLY WITH SUBSECTION (A) OF THIS  
8 SECTION ON OR BEFORE THE END OF SEPTEMBER 30 OF THE YEAR OF EXPIRATION  
9 SHALL APPLY FOR A THIRD PARTY ADMINISTRATOR'S REGISTRATION UNDER § 8-305  
10 OF THIS SUBTITLE AND MEET ANY OTHER REQUIREMENTS SPECIFIED BY THE  
11 COMMISSIONER IN REGULATION.

12 (E) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS  
13 SECTION.

14 [10-110.

15 (a) (1) The Commissioner shall appoint an advisory board for insurance other  
16 than life insurance and health insurance to advise the Commissioner about the education,  
17 qualifications, and examinations of agents and brokers as to kinds of insurance other than  
18 life insurance and health insurance.

19 (2) The advisory board consists of seven members appointed by the  
20 Commissioner.

21 (3) Of the seven members of the advisory board:

22 (i) one shall be a representative of the State Department of  
23 Education;

24 (ii) three shall be representatives of insurers, including, with full  
25 regard for representation of insurers that write specialized kinds of insurance:

26 1. at least one representative of a stock insurer; and

27 2. at least one representative of a mutual insurer; and

28 (iii) three shall be agents or brokers, including:

29 1. at least one agent from a stock insurer; and

30 2. at least one agent from a mutual insurer.

31 (4) The term of an industry member of the advisory board is 3 years.

32 (b) (1) The Commissioner shall appoint an advisory board for life insurance and  
33 health insurance to advise the Commissioner about the education, qualifications, and  
34 examinations of agents and brokers as to life insurance and health insurance.

35 (2) The advisory board consists of eight members appointed by the  
36 Commissioner.

23

1 (3) The advisory board may include agents, brokers, and employees or  
2 officers of insurers.

3 (4) Each member of the advisory board shall be experienced in the business  
4 of life insurance or health insurance.

5 (5) (i) The term of a member of the advisory board is 4 years.

6 (ii) A member who is appointed after a term has begun serves only for  
7 the rest of the term.

8 (iii) A member is eligible for reappointment.

9 (c) A member of an advisory board under this section:

10 (1) may not receive compensation; but

11 (2) if authorized by the Commissioner, is entitled to reimbursement for  
12 expenses under the Standard State Travel Regulations, as provided in the State budget.]

13 10-110.

14 (A) THE COMMISSIONER SHALL APPOINT AN ADVISORY BOARD FOR LIFE  
15 AND HEALTH INSURANCE AND AN ADVISORY BOARD FOR PROPERTY AND  
16 CASUALTY INSURANCE TO ASSIST THE COMMISSIONER IN REVIEWING CONTINUING  
17 EDUCATION COURSES, EXAMINATIONS, AND OTHER MATTERS RELATING TO THE  
18 EDUCATION AND QUALIFICATION OF AGENTS AND BROKERS.

19 (B) (1) THE LIFE AND HEALTH INSURANCE ADVISORY BOARD CONSISTS OF  
20 AT LEAST EIGHT MEMBERS APPOINTED BY THE COMMISSIONER.

21 (2) EACH MEMBER OF THE ADVISORY BOARD SHALL BE EXPERIENCED  
22 IN THE BUSINESS OF LIFE INSURANCE OR HEALTH INSURANCE.

23 (3) THE ADVISORY BOARD:

24 (I) MAY INCLUDE AGENTS, BROKERS, AND EMPLOYEES OR  
25 OFFICERS OF INSURERS; AND

26 (II) SHALL INCLUDE AT LEAST TWO MEMBERS WHO ARE AGENTS  
27 OR BROKERS WITH VALID CERTIFICATES OF QUALIFICATION ISSUED IN THE STATE.

28 (C) (1) THE PROPERTY AND CASUALTY INSURANCE ADVISORY BOARD  
29 CONSISTS OF AT LEAST EIGHT MEMBERS APPOINTED BY THE COMMISSIONER.

30 (2) EACH MEMBER OF THE ADVISORY BOARD SHALL BE EXPERIENCED  
31 IN THE BUSINESS OF PROPERTY INSURANCE OR CASUALTY INSURANCE.

32 (3) THE ADVISORY BOARD:

33 (I) MAY INCLUDE AGENTS, BROKERS, AND EMPLOYEES OR  
34 OFFICERS OF INSURERS; AND

35 (II) SHALL INCLUDE AT LEAST TWO MEMBERS WHO ARE AGENTS  
36 OR BROKERS WITH VALID CERTIFICATES OF QUALIFICATION ISSUED IN THE STATE.

24

1 (D) (1) THE TERM OF A MEMBER OF AN ADVISORY BOARD UNDER THIS  
2 SECTION IS 4 YEARS.

3 (2) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES  
4 ONLY FOR THE REST OF THE TERM.

5 (3) A MEMBER IS ELIGIBLE FOR REAPPOINTMENT.

6 (E) A MEMBER OF AN ADVISORY BOARD UNDER THIS SECTION:

7 (1) MAY NOT RECEIVE COMPENSATION; BUT

8 (2) IF AUTHORIZED BY THE COMMISSIONER, IS ENTITLED TO  
9 REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL  
10 REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

11 (F) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS  
12 SECTION.

13 10-115.

14 (a) (1) Certificates of qualification expire[ every other year] AT THE END OF  
15 EVERY OTHER JUNE 30 unless renewed as provided in this section.

16 (2) IF A CERTIFICATE OF QUALIFICATION EXPIRES UNDER PARAGRAPH  
17 (1) OF THIS SUBSECTION, THE APPOINTMENTS HELD BY THE AGENT SHALL BE  
18 TERMINATED AS OF THE DAY OF THE EXPIRATION OF THE CERTIFICATE OF  
19 QUALIFICATION.

20 (b) At least 1 month before a certificate of qualification expires, the  
21 Commissioner shall mail to the holder of the certificate of qualification, at the last known  
22 address of the holder:

23 (1) a renewal application form; and

24 (2) a notice that states:

25 (i) the date by which the Commissioner must receive the renewal  
26 application for the renewal to be issued and mailed before the certificate of qualification  
27 expires; and

28 (ii) the amount of the renewal fee.

29 (c) Before a certificate of qualification expires, the holder of the certificate of  
30 qualification may renew it for an additional 2-year term, if the holder:

31 (1) otherwise is entitled to a certificate of qualification;

32 (2) files with the Commissioner a renewal application on the form that the  
33 Commissioner provides; [and]

34 (3) COMPLETES THE CONTINUING EDUCATION REQUIREMENTS  
35 ESTABLISHED UNDER § 10-116 OF THIS SUBTITLE BY JUNE 15 IMMEDIATELY PRIOR  
36 TO THE EXPIRATION OF THE CERTIFICATE OF QUALIFICATION; AND



25

1                   [(3)] (4) pays to the Commissioner the renewal fee required by § 2-112 of  
2 this article.

3                   (d) (1) [Subject to subsection (e)(1) of this section, the] THE Commissioner  
4 shall renew the certificate of qualification of each holder who meets the requirements of  
5 this section.

6                   (2) If the holder of a certificate of qualification COMPLETES THE  
7 CONTINUING EDUCATION REQUIREMENTS ESTABLISHED UNDER § 10-116 OF THIS  
8 SUBTITLE AND pays the applicable renewal fee before the certificate of qualification  
9 expires, the certificate of qualification remains in effect until the Commissioner renews  
10 [or refuses to renew for cause] the certificate of qualification.

11                   [(e) (1) The Commissioner may not renew the certificate of qualification of an  
12 agent if, for 2 years before the date of renewal, the agent has not had any appointments  
13 from insurers doing business in the State.

14                   (2) If the certificate of qualification of an agent is not renewed under  
15 paragraph (1) of this subsection, the Commissioner may require the individual to pass an  
16 examination to determine the competency of the individual.]

17                   [(f)] (E) The Commissioner may adopt regulations to:

18                   (1) CARRY OUT THIS SECTION; AND

19                   (2) [carry] CARRY out a staggered system of renewals for certificates of  
20 qualification of agents and brokers.

21 [10-116.

22                   As part of the continuing education requirements under this subtitle, the  
23 Commissioner shall require agents and brokers that sell or issue long-term care insurance  
24 to receive continuing education that directly relates to long-term care insurance before  
25 the agent or broker may offer long-term care insurance for sale.]

26 10-116.

27                   (A) (1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE COMMISSIONER  
28 SHALL REQUIRE AN AGENT OR BROKER TO RECEIVE CONTINUING EDUCATION AS A  
29 CONDITION OF RENEWING THE CERTIFICATE OF QUALIFICATION OF THE AGENT OR  
30 BROKER.

31                   (2) THE COMMISSIONER MAY NOT REQUIRE AN INDIVIDUAL WHO  
32 HOLDS AN AGENT'S CERTIFICATE OF QUALIFICATION, A BROKER'S CERTIFICATE OF  
33 QUALIFICATION, OR BOTH TO RECEIVE MORE THAN:

34                   (I) 16 HOURS OF CONTINUING EDUCATION PER RENEWAL PERIOD,  
35 IF THE AGENT OR BROKER HAS HELD A CERTIFICATE OF QUALIFICATION FOR LESS  
36 THAN 25 CONSECUTIVE YEARS; AND

37                   (II) 8 HOURS OF CONTINUING EDUCATION PER RENEWAL PERIOD,  
38 IF THE AGENT OR BROKER HAS HELD A CERTIFICATE OF QUALIFICATION FOR 25 OR  
39 MORE CONSECUTIVE YEARS.

26

1 (3) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, AN AGENT OR  
2 BROKER MAY SATISFY THE CONTINUING EDUCATION REQUIREMENTS OF THIS  
3 SUBSECTION BY SUBMITTING TO THE COMMISSIONER OR COMMISSIONER'S  
4 DESIGNEE:

5 (I) PROOF THAT THE AGENT OR BROKER HAS COMPLETED AT  
6 LEAST 16 HOURS OF CONTINUING EDUCATION FOR THE APPLICABLE RENEWAL  
7 PERIOD; OR

8 (II) PROOF THAT THE AGENT OR BROKER HAS COMPLETED AT  
9 LEAST 8 HOURS OF CONTINUING EDUCATION FOR THE APPLICABLE RENEWAL  
10 PERIOD AND AN AFFIDAVIT THAT, OVER THE PREVIOUS 25 CONSECUTIVE YEARS,  
11 THE AGENT OR BROKER CONTINUALLY:

12 1. HAS HELD AN AGENT'S CERTIFICATE OF QUALIFICATION  
13 OR A BROKER'S CERTIFICATE OF QUALIFICATION IN THE STATE; AND

14 2. HAS BEEN EMPLOYED IN THE SELLING OF INSURANCE IN  
15 THE STATE.

16 (4) (I) TO INCREASE THE LEVEL OF EDUCATION OF AGENTS AND  
17 BROKERS, AN AGENT OR BROKER SHALL OBTAIN CONTINUING EDUCATION IN THE  
18 KIND OR SUBDIVISION OF INSURANCE FOR WHICH THE AGENT OR BROKER HAS  
19 RECEIVED A CERTIFICATE OF QUALIFICATION.

20 (II) EACH AGENT OR BROKER WHO POSSESSES A CERTIFICATE OF  
21 QUALIFICATION TO SELL HEALTH INSURANCE AND WHO SELLS LONG-TERM CARE  
22 INSURANCE SHALL RECEIVE CONTINUING EDUCATION THAT DIRECTLY RELATES  
23 TO LONG-TERM CARE INSURANCE.

24 (5) IN EACH RENEWAL PERIOD, THE COMMISSIONER SHALL ALLOW AN  
25 AGENT OR BROKER TO RECEIVE UP TO 75% OF THE AGENT'S OR BROKER'S  
26 CONTINUING EDUCATION REQUIREMENT FROM COURSES SPONSORED BY AN  
27 INSURER.

28 (6) IF CONTINUING EDUCATION IS REQUIRED, THE COMMISSIONER  
29 MAY GRANT A WAIVER TO AN AGENT OR BROKER WHO:

30 (I) IS AT LEAST 70 YEARS OLD; OR

31 (II) HAS REQUESTED A WAIVER FOR OTHER REASONS THAT THE  
32 COMMISSIONER DETERMINES WARRANT THE WAIVER.

33 (B) THE FOLLOWING INDIVIDUALS ARE EXEMPT FROM THE CONTINUING  
34 EDUCATION REQUIREMENTS UNDER THIS SECTION:

35 (1) EMPLOYEES OF A HEALTH MAINTENANCE ORGANIZATION WHO  
36 ARE EMPLOYED SOLELY TO SOLICIT MEMBERSHIP IN THE HEALTH MAINTENANCE  
37 ORGANIZATION UNDER A CONTRACT BETWEEN THE HEALTH MAINTENANCE  
38 ORGANIZATION AND THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE;

27

1 (2) ATTORNEYS AT LAW OF THE STATE WHO ARE QUALIFIED AS TITLE  
2 INSURANCE AGENTS OR BROKERS AND WHO DO NOT HOLD A CERTIFICATE OF  
3 QUALIFICATION IN ANY OTHER KIND OR SUBDIVISION OF INSURANCE; AND

4 (3) AGENTS OR BROKERS WHO HOLD ONLY A RESTRICTED  
5 CERTIFICATE OF QUALIFICATION IN ANY OF THE FOLLOWING TYPES OF  
6 INSURANCE:

7 (I) CREDIT LIFE, CREDIT ACCIDENT, OR CREDIT HEALTH  
8 INSURANCE;

9 (II) TRAVEL TICKET POLICIES OF LIFE, ACCIDENT, OR BAGGAGE  
10 INSURANCE; OR

11 (III) ANY OTHER TYPE OF INSURANCE DESIGNATED BY THE  
12 COMMISSIONER.

13 (C) THE COMMISSIONER SHALL REVIEW ALL CONTINUING EDUCATION  
14 COURSES SUBMITTED AND APPROVE OR DISAPPROVE COURSES ON THE  
15 RECOMMENDATION OF THE APPROPRIATE ADVISORY BOARD APPOINTED UNDER §  
16 10-110 OF THIS SUBTITLE.

17 (D) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS  
18 SECTION.

19 10-116.1.

20 (A) ON OR BEFORE SEPTEMBER 30 OF THE RENEWAL YEAR, A PERSON WHOSE  
21 CERTIFICATE OF QUALIFICATION HAS EXPIRED MAY REINSTATE THE EXPIRED  
22 CERTIFICATE OF QUALIFICATION BY:

23 (1) FILING WITH THE COMMISSIONER THE APPROPRIATE  
24 REINSTATEMENT APPLICATION;

25 (2) PAYING TO THE COMMISSIONER THE APPLICABLE REINSTATEMENT  
26 FEE REQUIRED UNDER SUBSECTION (B) OF THIS SECTION; AND

27 (3) SUBMITTING PROOF OF COMPLETION OF THE CONTINUING  
28 EDUCATION REQUIREMENTS IN § 10-116 OF THIS SUBTITLE.

29 (B) THE FEE FOR A REINSTATEMENT UNDER THIS SECTION SHALL BE TWICE  
30 THE AMOUNT CHARGED FOR A FULL RENEWAL PERIOD FOR THE TYPE OF  
31 CERTIFICATE OF QUALIFICATION HELD BY THE PERSON SEEKING THE  
32 REINSTATEMENT.

33 (C) (1) A PERSON WHOSE BROKER'S CERTIFICATE OF QUALIFICATION HAS  
34 EXPIRED MAY NOT CONDUCT ANY INSURANCE BUSINESS UNTIL THE EFFECTIVE  
35 DATE OF REINSTATEMENT OF THE CERTIFICATE OF QUALIFICATION.

36 (2) A PERSON WHOSE AGENT'S CERTIFICATE OF QUALIFICATION HAS  
37 EXPIRED MAY NOT CONDUCT ANY INSURANCE BUSINESS UNLESS THE PERSON:

38 (I) HAS OBTAINED A REINSTATEMENT OF THE CERTIFICATE OF  
39 QUALIFICATION; AND

28

1 (II) HAS OBTAINED AN APPOINTMENT FROM AT LEAST ONE  
2 INSURER.

3 (D) A PERSON WHO DOES NOT COMPLY WITH SUBSECTION (A) OF THIS  
4 SECTION ON OR BEFORE THE END OF SEPTEMBER 30 OF THE YEAR OF EXPIRATION  
5 SHALL APPLY FOR A CERTIFICATE OF QUALIFICATION UNDER § 10-112 OF THIS  
6 SUBTITLE AND MEET THE REQUIREMENTS SPECIFIED BY THE COMMISSIONER IN  
7 REGULATION.

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

10 10-126.

11 (a) [Subject to the hearing provisions of] AFTER NOTICE AND OPPORTUNITY  
12 FOR A HEARING UNDER Title 2 of this article, the Commissioner may deny a certificate  
13 of qualification to an applicant or suspend, revoke, or refuse to renew OR REINSTATE a  
14 certificate of qualification if the applicant or holder of the certificate of qualification:

15 (1) has willfully violated this article or another law of the State that relates  
16 to insurance;

17 (2) has intentionally misrepresented or concealed a material fact in the  
18 application for a certificate of qualification;

19 (3) has obtained or attempted to obtain a certificate of qualification by  
20 misrepresentation, concealment, or other fraud;

21 (4) has misappropriated, converted, or unlawfully withheld money belonging  
22 to an insurer, agent, broker, beneficiary, or insured;

23 (5) has willfully and materially misrepresented the provisions of a policy;

24 (6) has committed fraudulent or dishonest practices in the insurance  
25 business;

26 (7) has participated, with or without the knowledge of an insurer, in selling  
27 motor vehicle insurance without an actual intent to sell the insurance, as evidenced by a  
28 persistent pattern of filing certificates of insurance together with or closely followed by  
29 cancellation notices for the insurance;

30 (8) has been convicted by final judgment in any state or federal court of a  
31 crime involving moral turpitude;

32 (9) has knowingly participated in writing or issuing substantial  
33 over-insurance of property insurance risks;

34 (10) has failed an examination required by this subtitle;

35 (11) has willfully failed to comply with or has willfully violated a proper order  
36 or regulation of the Commissioner;

37 (12) has failed or refused to pay over on demand money that belongs to an  
38 insurer, agent, broker, or other person entitled to the money;

29

1 (13) has otherwise shown a lack of trustworthiness or competence to act as an  
2 agent or broker;

3 (14) is not or does not intend to carry on business in good faith and represent  
4 to the public that the person is an agent or broker;

5 (15) has been denied a license or certificate in another state or has had a  
6 license or certificate suspended or revoked in another state;

7 (16) has intentionally or willfully made or issued, or caused to be made or  
8 issued, a statement that materially misrepresents or makes incomplete comparisons about  
9 the terms or conditions of a policy or contract issued by an authorized insurer, for the  
10 purpose of inducing or attempting to induce the owner of the policy or contract to forfeit  
11 or surrender it or allow it to lapse in order to replace it with another;

12 (17) has transacted insurance business that was directed to the applicant or  
13 holder for consideration by a person whose license or certificate to engage in the  
14 insurance business at the time was suspended or revoked, and the applicant or holder  
15 knew or should have known of the suspension or revocation;

16 (18) has solicited, procured, or negotiated insurance contracts for an  
17 unauthorized insurer, including contracts for nonprofit health service plans, dental plan  
18 organizations, and health maintenance organizations; or

19 (19) has knowingly employed or knowingly continued to employ an individual  
20 acting in a fiduciary capacity who has been convicted of a felony or crime of moral  
21 turpitude within the preceding 10 years.

22 (b) (1) Subject to the hearing provisions of Title 2 of this article, the  
23 Commissioner may suspend, revoke, deny, deny renewal, refuse to renew OR REINSTATE,  
24 or refuse to grant an application for the certificate of qualification of a limited liability  
25 company, partnership, or corporation if an individual [ who has direct control over its  
26 fiscal management or an agent, broker, director, officer, partner, member, manager,  
27 owner, or employee of the limited liability company, partnership, or corporation] LISTED  
28 IN PARAGRAPH (2) OF THIS SUBSECTION has:

29 [(1)] (I) violated any provision of this subtitle;

30 [(2)] (II) been convicted of a felony, a crime of moral turpitude, or any  
31 criminal offense involving dishonesty or breach of trust; or

32 [(3)] (III) had any professional license suspended or revoked for a fraudulent  
33 or dishonest practice.

34 (2) THIS SUBSECTION APPLIES IN ANY CASE THAT INVOLVES A LIMITED  
35 LIABILITY COMPANY, PARTNERSHIP, OR CORPORATION IF THE VIOLATION WAS  
36 COMMITTED BY AN INDIVIDUAL WHO IS:

37 (I) AN AGENT OR BROKER;

38 (II) 1. IN THE CASE OF A LIMITED LIABILITY COMPANY, AN  
39 OFFICER, DIRECTOR, MEMBER, OR MANAGER;

30

1 2. IN THE CASE OF A PARTNERSHIP, A PARTNER; AND

2 3. IN THE CASE OF A CORPORATION, A DIRECTOR, OFFICER,  
3 OR OWNER; OR

4 (III) AN INDIVIDUAL WITH DIRECT CONTROL OVER THE FISCAL  
5 MANAGEMENT OF THE LIMITED LIABILITY COMPANY, PARTNERSHIP, OR  
6 CORPORATION.

7 (e) If the certificate of qualification is suspended [or revoked] under this section,  
8 the Commissioner may require the individual to pass an examination and file a new  
9 application before the [certificate of qualification is reinstated] SUSPENSION IS LIFTED.

10 10-211.

11 (a) A [license] CERTIFICATE OF QUALIFICATION expires [on the first  
12 December 31 that comes after its effective date and in an odd-numbered year] AT THE  
13 END OF EVERY OTHER JUNE 30 unless it is renewed for a 2-year term as provided in this  
14 section.

15 (b) At least 1 month before a [license] CERTIFICATE OF QUALIFICATION  
16 expires, the Commissioner shall mail to the [licensee] HOLDER OF THE CERTIFICATE  
17 OF QUALIFICATION, at the last known address of the [licensee] HOLDER:

18 (1) a renewal application form; and

19 (2) a notice that states:

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

23 (ii) the amount of the renewal fee.

24 (c) Before a [license] CERTIFICATE OF QUALIFICATION expires, the  
25 [licensee] HOLDER OF THE CERTIFICATE OF QUALIFICATION periodically may renew  
26 it for an additional 2-year term, if the [licensee] HOLDER:

27 (1) otherwise is entitled to a [license] CERTIFICATE OF QUALIFICATION;

28 (2) files with the Commissioner a renewal application on the form that the  
29 Commissioner provides;

30 (3) pays to the Commissioner the renewal fee required by § 2-112 of this  
31 article;

32 (4) is in compliance with the bond requirement of § 10-206 of this subtitle;  
33 and

34 (5) if the Commissioner determines that an examination is advisable to  
35 determine the trustworthiness or competence of a [licensee] HOLDER, passes an  
36 examination given by the Commissioner.

31

1 (d) (1) The Commissioner shall renew the [license] CERTIFICATE OF  
2 QUALIFICATION of each [licensee] HOLDER who meets the requirements of this  
3 section.

4 (2) If [a licensee] THE HOLDER OF A CERTIFICATE OF QUALIFICATION  
5 files an application for renewal before the [license] CERTIFICATE OF QUALIFICATION  
6 expires, the [license] CERTIFICATE OF QUALIFICATION shall remain in effect until:

7 (i) the Commissioner issues a renewal [license] CERTIFICATE OF  
8 QUALIFICATION; or

9 (ii) 5 days after the Commissioner refuses to renew the [license]  
10 CERTIFICATE OF QUALIFICATION and gives notice of the refusal to the [licensee]  
11 HOLDER.

12 10-211.1.

13 (A) ON OR BEFORE SEPTEMBER 30 OF THE RENEWAL YEAR, A PERSON WHOSE  
14 INSURANCE ADVISER'S CERTIFICATE OF QUALIFICATION HAS EXPIRED MAY  
15 REINSTATE THE EXPIRED CERTIFICATE OF QUALIFICATION BY:

16 (1) FILING WITH THE COMMISSIONER THE APPROPRIATE  
17 REINSTATEMENT APPLICATION;

18 (2) PAYING TO THE COMMISSIONER THE APPLICABLE REINSTATEMENT  
19 FEE REQUIRED UNDER SUBSECTION (B) OF THIS SECTION; AND

20 (3) COMPLYING WITH THE BOND REQUIREMENT OF § 10-206 OF THIS  
21 SUBTITLE.

22 (B) THE FEE FOR A REINSTATEMENT UNDER THIS SECTION SHALL BE TWICE  
23 THE AMOUNT CHARGED FOR A FULL RENEWAL PERIOD FOR THE TYPE OF  
24 CERTIFICATE OF QUALIFICATION HELD BY THE PERSON SEEKING THE  
25 REINSTATEMENT.

26 (C) A PERSON WHOSE INSURANCE ADVISER'S CERTIFICATE OF  
27 QUALIFICATION HAS EXPIRED MAY NOT ACT AS AN INSURANCE ADVISER UNTIL  
28 THE EFFECTIVE DATE OF REINSTATEMENT OF THE CERTIFICATE OF  
29 QUALIFICATION.

30 (D) A PERSON WHO DOES NOT COMPLY WITH SUBSECTION (A) OF THIS  
31 SECTION ON OR BEFORE THE END OF SEPTEMBER 30 OF THE YEAR OF EXPIRATION  
32 SHALL APPLY FOR AN INSURANCE ADVISER'S CERTIFICATE OF QUALIFICATION  
33 UNDER § 10-205 OF THIS SUBTITLE AND MEET ANY OTHER REQUIREMENTS  
34 SPECIFIED BY THE COMMISSIONER IN REGULATION.

35 (E) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS  
36 SECTION.

37 10-408.

38 (a) A [license] CERTIFICATE OF QUALIFICATION expires [on the first  
39 December 31 that comes after its effective date and in an odd-numbered year] AT THE

32

1 END OF EVERY OTHER JUNE 30 unless it is renewed for a 2-year term as provided in this  
2 section.

3 (b) At least 1 month before a [license] CERTIFICATE OF QUALIFICATION  
4 expires, the Commissioner shall mail to the [licensee] HOLDER OF THE CERTIFICATE  
5 OF QUALIFICATION, at the last known address of the [licensee] HOLDER:

6 (1) a renewal application form; and

7 (2) a notice that states:

8 (i) the date by which the Commissioner must receive the renewal  
9 application for the renewal to be issued and mailed before the [license] CERTIFICATE  
10 OF QUALIFICATION expires; and

11 (ii) the amount of the renewal fee.

12 (c) Before a [license] CERTIFICATE OF QUALIFICATION expires, the  
13 [licensee] HOLDER OF THE CERTIFICATE OF QUALIFICATION may renew it for an  
14 additional 2-year term, if the [licensee] HOLDER:

15 (1) otherwise is entitled to a [license] CERTIFICATE OF QUALIFICATION;

16 (2) files with the Commissioner a renewal application on the form that the  
17 Commissioner provides; and

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

20 (d) (1) The Commissioner shall renew the [license] CERTIFICATE OF  
21 QUALIFICATION of each [licensee] HOLDER who meets the requirements of this  
22 section.

23 (2) If [a licensee] THE HOLDER OF A CERTIFICATE OF QUALIFICATION  
24 files an application for renewal before the [license] CERTIFICATE OF QUALIFICATION  
25 expires, the [license] CERTIFICATE OF QUALIFICATION shall remain in effect until:

26 (i) the Commissioner issues a renewal [license] CERTIFICATE OF  
27 QUALIFICATION; or

28 (ii) 5 days after the Commissioner refuses in writing to renew the  
29 [license] CERTIFICATE OF QUALIFICATION and serves notice of the refusal on the  
30 [licensee] HOLDER.

31 10-408.1.

32 (A) ON OR BEFORE SEPTEMBER 30 OF THE RENEWAL YEAR, A PERSON WHOSE  
33 PUBLIC ADJUSTER'S CERTIFICATE OF QUALIFICATION HAS EXPIRED MAY  
34 REINSTATE THE EXPIRED CERTIFICATE OF QUALIFICATION BY:

35 (1) FILING WITH THE COMMISSIONER THE APPROPRIATE  
36 REINSTATEMENT APPLICATION; AND

37 (2) PAYING TO THE COMMISSIONER THE APPLICABLE REINSTATEMENT  
38 FEE REQUIRED UNDER SUBSECTION (B) OF THIS SECTION.



1 (B) THE FEE FOR A REINSTATEMENT UNDER THIS SECTION SHALL BE TWICE  
2 THE AMOUNT CHARGED FOR A FULL RENEWAL PERIOD FOR THE TYPE OF  
3 CERTIFICATE OF QUALIFICATION HELD BY THE PERSON SEEKING THE  
4 REINSTATEMENT.

5 (C) A PERSON WHOSE PUBLIC ADJUSTER'S CERTIFICATE OF QUALIFICATION  
6 HAS EXPIRED MAY NOT ACT AS A PUBLIC ADJUSTER UNTIL THE EFFECTIVE DATE OF  
7 REINSTATEMENT OF THE CERTIFICATE OF QUALIFICATION.

8 (D) A PERSON WHO DOES NOT COMPLY WITH SUBSECTION (A) OF THIS  
9 SECTION ON OR BEFORE THE END OF SEPTEMBER 30 OF THE YEAR OF EXPIRATION  
10 SHALL APPLY FOR A PUBLIC ADJUSTER'S CERTIFICATE OF QUALIFICATION UNDER §  
11 10-405 OF THIS SUBTITLE AND MEET ANY OTHER REQUIREMENTS SPECIFIED BY THE  
12 COMMISSIONER IN REGULATION.

13 (E) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS  
14 SECTION.

15 SECTION 7. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
16 read as follows:

17 **Chapter 609 of the Acts of 1989, as amended by Chapter 39 of the Acts of 1993**

18 SECTION 2. AND BE IT FURTHER ENACTED, That the changes made to  
19 Article 48A, §§ 170 and 344E of the Code, as enacted by this Act and Chapter 516 of the  
20 Acts of the General Assembly of 1986 as amended by this Act, shall remain effective [for  
21 a period of 8 years and, at the end of June 30, 1997, and with no further action required  
22 by the General Assembly, the changes made by this Act and Chapter 516 of the Acts of  
23 the General Assembly of 1986 as amended by this Act, to Article 48A, §§ 170 and 344E  
24 of the Code shall be abrogated and of no further force and effect]UNTIL SUCH TIME  
25 AS THEY ARE FURTHER AMENDED BY THE GENERAL ASSEMBLY.

26 SECTION 8. AND BE IT FURTHER ENACTED, That, in construing the  
27 provisions of Article 48A - Insurance Code and the revised Insurance Article with regard  
28 to the regulation of insurance professionals, the term "certificate of qualification" shall  
29 have the same meaning as the term "license"; however, the preferred term shall be  
30 "certificate of qualification". The Maryland Insurance Administration shall review the  
31 revised Insurance Article and shall, in consultation with the Department of Legislative  
32 Reference, make the appropriate amendments to the Insurance Article to change the  
33 usage of the term "license" to "certificate of qualification"; these changes shall be made  
34 in the Annual Corrective Bill to be introduced during the 1998 Session of the Maryland  
35 General Assembly.

36 SECTION 9. AND BE IT FURTHER ENACTED, That Sections 1, 2, 3, 4, 7, and  
37 8 of this Act shall take effect June 1, 1997.

38 SECTION 10. AND BE IT FURTHER ENACTED, That Sections 5 and 6 of this  
39 Act shall take effect October 1, 1997.