

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1344 (Delegates Barve and Frank)

Economic Matters

Regulation of Insurance Professions - Advisers - Exemptions

This bill exempts from regulation as an insurance adviser by the Maryland Insurance Administration (MIA) an individual: (1) who is employed by an investment adviser registered with the Securities and Exchange Commission; (2) whose only clients in the State each meet specified requirements; and (3) whose business activities in the State that would otherwise be subject to regulation are limited to acting as an adviser with respect to “guaranteed investment contracts” or “synthetic investment contracts.” The bill may not be construed to afford coverage for guaranteed investment contracts or synthetic investment contracts under the Life and Health Insurance Guaranty Corporation Act.

Fiscal Summary

State Effect: General fund revenues would decline by \$200 biennially for each individual exempted from the insurance adviser licensing requirements. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: Minimal.

Fiscal Analysis

State Revenues: There are currently 191 licensed insurance advisers in the State. Any individuals exempted from regulation as an adviser by MIA under the bill would not have to pay the \$200 biennial certificate of qualification fee. Any reduction in general fund revenues depends on the number of individuals that would be exempt, which cannot be reliably estimated at this time.

Information Source(s): Maryland Insurance Administration

Fiscal Note History: First Reader - March 16, 1998

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Analysis by: Sarah Dickerson

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710