

SENATE BILL 30

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C4

1999 Regular Session  
(9lr0056)

*ENROLLED BILL*  
*-- Finance/Economic Matters --*

Introduced by **Chairman, Finance Committee (Departmental - Insurance Administration, Maryland)**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Insurance - Nonresident Agents and Brokers - Continuing Education and**  
3 **Uniform Licensing Forms**

4 FOR the purpose of authorizing the Insurance Commissioner to require the use of  
5 certain uniform forms for licensing nonresident agents and nonresident brokers  
6 under certain circumstances; requiring certain nonresident agents and  
7 nonresident brokers to complete certain continuing education requirements  
8 under certain circumstances; clarifying that certain nonresident agents and  
9 brokers need not comply with certain education and experience requirements  
10 under certain circumstances; and generally relating to continuing education and  
11 the use of uniform forms for licensing nonresident agents and nonresident  
12 brokers.

13 BY repealing and reenacting, with amendments,  
14 Article - Insurance  
15 Section 10-116 and 10-119

1 Annotated Code of Maryland  
2 (1997 Volume and 1998 Supplement)

3 BY adding to  
4 Article - Insurance  
5 Section 10-119.1  
6 Annotated Code of Maryland  
7 (1997 Volume and 1998 Supplement)

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

10 **Article - Insurance**

11 10-116.

12 (a) (1) Subject to [subsection (b)] SUBSECTIONS (B) AND (C) of this section,  
13 the Commissioner shall require an agent or broker to receive continuing education as  
14 a condition of renewing the certificate of qualification of the agent or broker.

15 (2) The Commissioner may not require an individual who holds an  
16 agent's certificate of qualification, a broker's certificate of qualification, or both to  
17 receive more than:

18 (i) 16 hours of continuing education per renewal period, if the  
19 agent or broker has held a certificate of qualification for less than 25 consecutive  
20 years; and

21 (ii) 8 hours of continuing education per renewal period, if the agent  
22 or broker has held a certificate of qualification for 25 or more consecutive years.

23 (3) Subject to paragraph (4) of this subsection, an agent or broker may  
24 satisfy the continuing education requirements of this subsection by submitting to the  
25 Commissioner or Commissioner's designee:

26 (i) proof that the agent or broker has completed at least 16 hours of  
27 continuing education for the applicable renewal period; or

28 (ii) proof that the agent or broker has completed at least 8 hours of  
29 continuing education for the applicable renewal period and an affidavit that, over the  
30 previous 25 consecutive years, the agent or broker continually:

31 1. has held an agent's certificate of qualification or a broker's  
32 certificate of qualification in the State; and

33 2. has been employed in the selling of insurance in the State.

1           (4)   (i)       To increase the level of education of agents and brokers, an  
2 agent or broker shall obtain continuing education in the kind or subdivision of  
3 insurance for which the agent or broker has received a certificate of qualification.

4           (ii)       Each agent or broker who possesses a certificate of qualification  
5 to sell health insurance and who sells long-term care insurance shall receive  
6 continuing education that directly relates to long-term care insurance.

7           (5)       If continuing education is required, the Commissioner may grant a  
8 waiver to an agent or broker who has requested a waiver for reasons that the  
9 Commissioner determines warrant the waiver.

10          (6)       An insurer may not prohibit one of its agents from obtaining  
11 continuing education credits from any course approved by the Commissioner.

12       (b)       The following individuals are exempt from the continuing education  
13 requirements under this section:

14           (1)       employees of a health maintenance organization who are employed  
15 solely to solicit membership in the health maintenance organization under a contract  
16 between the health maintenance organization and the Department of Health and  
17 Mental Hygiene;

18           (2)       attorneys at law of the State who are qualified as title insurance  
19 agents or brokers and who do not hold a certificate of qualification in any other kind  
20 or subdivision of insurance; and

21           (3)       agents or brokers who hold only a restricted certificate of  
22 qualification in any type of insurance designated by the Commissioner.

23       (C)       (1)       EXCEPT AS PROVIDED IN ~~PARAGRAPH (2)~~ PARAGRAPHS (2) AND (3) OF  
24 THIS SUBSECTION, A NONRESIDENT CERTIFICATE HOLDER WHO IS ISSUED A  
25 CERTIFICATE OF QUALIFICATION AFTER COMPLETING THE UNIFORM APPLICATION  
26 FORM UNDER § 10-119.1 OF THIS SUBTITLE IS EXEMPT FROM THE CONTINUING  
27 EDUCATION REQUIREMENTS OF THIS SECTION.

28           (2)       A NONRESIDENT CERTIFICATE HOLDER WHOSE STATE OF  
29 RESIDENCE DOES NOT HAVE A CONTINUING EDUCATION REQUIREMENT SHALL  
30 FULFILL THE CONTINUING EDUCATION REQUIREMENTS OF THIS SECTION.

31           (3)       A NONRESIDENT CERTIFICATE HOLDER WHOSE STATE OF  
32 RESIDENCE HAS A CONTINUING EDUCATION REQUIREMENT SHALL FULFILL ALL  
33 THE REQUIREMENTS OF THE STATE OF RESIDENCE OF THE CERTIFICATE HOLDER.

34       [(c)]   (D)       The Commissioner shall review all continuing education courses  
35 submitted and approve or disapprove courses after receiving the recommendation of  
36 the appropriate advisory board appointed under § 10-110 of this subtitle.

37       [(d)]   (E)       The Commissioner may adopt regulations to carry out this section.

1 10-119.

2 (a) For purposes of this section, a person that does not reside in this State is  
3 deemed a resident of this State if:

4 (1) the person maintains a place of business in this State; and

5 (2) the law of the state or the province of Canada where the person  
6 resides deems a person that has a place of business in that state or province to be a  
7 resident of that state or province for the purpose of licensing the person as an agent or  
8 broker.

9 (b) (1) Subject to paragraph (2) of this subsection, a person that is not a  
10 resident of this State may obtain a certificate of qualification to act as an agent or  
11 broker on compliance with the applicable provisions of this subtitle if the state or the  
12 province of Canada in which the person resides grants the same privilege to a  
13 resident of this State.

14 (2) The person need not comply with the education and experience  
15 requirements of §§ 10-104(c) AND 10-105(C) of this subtitle.

16 (c) (1) A nonresident agent or broker certified in another state or a province  
17 of Canada must obtain a certificate of qualification and appointment, if applicable, to  
18 transact business in this State.

19 (2) After obtaining a certificate of qualification and appointment, if  
20 applicable, the nonresident agent or broker may negotiate any insurance contract on  
21 subjects of insurance resident, located, or to be performed in this State to the same  
22 extent, on the same terms, and on payment of the same fees as required by the other  
23 state or province of Canada from residents of this State transacting like business in  
24 the other state or province.

25 (d) The Commissioner may enter into reciprocal agreements with the  
26 appropriate official of another state or a province of Canada to waive the written  
27 examination for an applicant who resides in the other state or province if:

28 (1) a written examination is required of applicants for a license or  
29 certificate in the other state or province;

30 (2) the appropriate official of the other state or province certifies that the  
31 applicant:

32 (i) holds a currently valid license or certificate to act as an agent or  
33 broker in the other state or province; and

34 (ii) passed the written examination or held a license or certificate  
35 before a written examination was required; and

36 (3) in the other state or province, a resident of this State is allowed to  
37 obtain a license or certificate to act as an agent or broker under the same conditions.

1 10-119.1.

2 (A) THIS SECTION DOES NOT APPLY TO A TITLE INSURANCE AGENT OR TITLE  
3 INSURANCE BROKER THAT APPLIES TO BE A NONRESIDENT TITLE INSURANCE  
4 AGENT OR NONRESIDENT TITLE INSURANCE BROKER IN THE STATE.

5 (B) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, THE  
6 COMMISSIONER MAY REQUIRE THE USE OF UNIFORM APPLICATION AND RENEWAL  
7 FORMS DEVELOPED BY THE NATIONAL ASSOCIATION OF INSURANCE  
8 COMMISSIONERS FOR USE IN LICENSING NONRESIDENT AGENTS AND NONRESIDENT  
9 BROKERS FOR LIFE INSURANCE, HEALTH INSURANCE, VARIABLE LIFE/ANNUITY  
10 CONTRACTS, PROPERTY INSURANCE, AND CASUALTY INSURANCE.

11 (C) BEFORE REQUIRING THE USE OF UNIFORM FORMS UNDER SUBSECTION  
12 (B) OF THIS SECTION, THE COMMISSIONER SHALL ADOPT REGULATIONS THAT  
13 SPECIFY:

- 14 (1) WHICH APPLICANTS MAY USE THE FORMS;  
15 (2) THE CONTENTS OF THE APPLICATION AND RENEWAL FORMS; AND  
16 (3) ANY DOCUMENTS THAT MUST ACCOMPANY THE FORMS.

17 (D) (1) AN APPLICANT THAT USES A UNIFORM FORM UNDER THIS SECTION  
18 SHALL PAY THE APPLICABLE FEE REQUIRED BY § 2-112 OF THIS ARTICLE FOR AN  
19 AGENT CERTIFICATE OF QUALIFICATION OR A BROKER CERTIFICATE OF  
20 QUALIFICATION.

21 (2) AN APPLICANT FOR A CERTIFICATE OF QUALIFICATION AS A BROKER  
22 SHALL MEET THE BOND REQUIREMENTS OF § 10-112(C) OF THIS SUBTITLE.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 1999.