

SENATE BILL 30

Unofficial Copy
C4

1999 Regular Session
9r0056

(PRE-FILED)

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

Requested: July 27, 1998

Introduced and read first time: January 13, 1999

Assigned to: Finance

A BILL ENTITLED

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; and generally relating to continuing education and
9 the use of uniform forms for licensing nonresident agents and nonresident
10 brokers.

11 BY repealing and reenacting, with amendments,
12 Article - Insurance
13 Section 10-116
14 Annotated Code of Maryland
15 (1997 Volume and 1998 Supplement)

16 BY adding to
17 Article - Insurance
18 Section 10-119.1
19 Annotated Code of Maryland
20 (1997 Volume and 1998 Supplement)

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

1

Article - Insurance

2 10-116.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (1) employees of a health maintenance organization who are employed
4 solely to solicit membership in the health maintenance organization under a contract
5 between the health maintenance organization and the Department of Health and
6 Mental Hygiene;

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

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

12 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
13 NONRESIDENT CERTIFICATE HOLDER WHO IS ISSUED A CERTIFICATE OF
14 QUALIFICATION AFTER COMPLETING THE UNIFORM APPLICATION FORM UNDER §
15 10-119.1 OF THIS SUBTITLE IS EXEMPT FROM THE CONTINUING EDUCATION
16 REQUIREMENTS OF THIS SECTION.

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

20 (3) A NONRESIDENT CERTIFICATE HOLDER WHOSE STATE OF
21 RESIDENCE HAS A CONTINUING EDUCATION REQUIREMENT SHALL FULFILL ALL
22 THE REQUIREMENTS OF THE STATE OF RESIDENCE OF THE CERTIFICATE HOLDER.

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

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

27 10-119.1.

28 (A) THIS SECTION DOES NOT APPLY TO A TITLE INSURANCE AGENT OR TITLE
29 INSURANCE BROKER THAT APPLIES TO BE A NONRESIDENT TITLE INSURANCE
30 AGENT OR NONRESIDENT TITLE INSURANCE BROKER IN THE STATE.

31 (B) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, THE
32 COMMISSIONER MAY REQUIRE THE USE OF UNIFORM APPLICATION AND RENEWAL
33 FORMS DEVELOPED BY THE NATIONAL ASSOCIATION OF INSURANCE
34 COMMISSIONERS FOR USE IN LICENSING NONRESIDENT AGENTS AND NONRESIDENT
35 BROKERS FOR LIFE INSURANCE, HEALTH INSURANCE, VARIABLE LIFE/ANNUITY
36 CONTRACTS, PROPERTY INSURANCE, AND CASUALTY INSURANCE.

1 (C) BEFORE REQUIRING THE USE OF UNIFORM FORMS UNDER SUBSECTION
2 (B) OF THIS SECTION, THE COMMISSIONER SHALL ADOPT REGULATIONS THAT
3 SPECIFY:

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

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

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

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