

SENATE BILL 30

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(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

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 2, 1999

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
16 Annotated Code of Maryland
17 (1997 Volume and 1998 Supplement)

18 BY adding to
19 Article - Insurance
20 Section 10-119.1
21 Annotated Code of Maryland
22 (1997 Volume and 1998 Supplement)

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

3 **Article - Insurance**

4 10-116.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
15 NONRESIDENT CERTIFICATE HOLDER WHO IS ISSUED A CERTIFICATE OF
16 QUALIFICATION AFTER COMPLETING THE UNIFORM APPLICATION FORM UNDER §
17 10-119.1 OF THIS SUBTITLE IS EXEMPT FROM THE CONTINUING EDUCATION
18 REQUIREMENTS OF THIS SECTION.

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

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

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

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

29 10-119.

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

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

33 (2) the law of the state or the province of Canada where the person
34 resides deems a person that has a place of business in that state or province to be a
35 resident of that state or province for the purpose of licensing the person as an agent or
36 broker.

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

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

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

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

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

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

22 (2) the appropriate official of the other state or province certifies that the
23 applicant:

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

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

28 (3) in the other state or province, a resident of this State is allowed to
29 obtain a license or certificate to act as an agent or broker under the same conditions.
30 10-119.1.

31 (A) THIS SECTION DOES NOT APPLY TO A TITLE INSURANCE AGENT OR TITLE
32 INSURANCE BROKER THAT APPLIES TO BE A NONRESIDENT TITLE INSURANCE
33 AGENT OR NONRESIDENT TITLE INSURANCE BROKER IN THE STATE.

34 (B) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, THE
35 COMMISSIONER MAY REQUIRE THE USE OF UNIFORM APPLICATION AND RENEWAL
36 FORMS DEVELOPED BY THE NATIONAL ASSOCIATION OF INSURANCE
37 COMMISSIONERS FOR USE IN LICENSING NONRESIDENT AGENTS AND NONRESIDENT

1 BROKERS FOR LIFE INSURANCE, HEALTH INSURANCE, VARIABLE LIFE/ANNUITY
2 CONTRACTS, PROPERTY INSURANCE, AND CASUALTY INSURANCE.

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

6 (1) WHICH APPLICANTS MAY USE THE FORMS;

7 (2) THE CONTENTS OF THE APPLICATION AND RENEWAL FORMS; AND

8 (3) ANY DOCUMENTS THAT MUST ACCOMPANY THE FORMS.

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

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

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