

SENATE BILL 31

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1999 Regular Session  
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(PRE-FILED)

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

Requested: July 27, 1998

Introduced and read first time: January 13, 1999

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 23, 1999

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Insurance - Agents and Brokers - Certificate of Qualification Requirements**

3 FOR the purpose of altering the requirements that applicants for certain certificates  
4 of qualification must fulfill; and generally relating to certain requirements for  
5 obtaining a certificate of qualification as an insurance agent or broker.

6 BY repealing and reenacting, with amendments,  
7 Article - Insurance  
8 Section 10-105  
9 Annotated Code of Maryland  
10 (1997 Volume and 1998 Supplement)

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

13 **Article - Insurance**

14 10-105.

15 (a) To qualify for a certificate of qualification as an agent or broker for life  
16 insurance, health insurance, annuities, nonprofit health service plans, dental plan  
17 organizations, or health maintenance organizations, an individual applicant must  
18 meet the requirements of this section.

19 (b) An applicant must be of good character and trustworthy.

1 (e) Before taking an examination under this subtitle, an applicant shall  
 2 complete ~~[at least 60 hours of study and instruction as required]~~ A PROGRAM OF  
 3 STUDIES THAT HAS BEEN ESTABLISHED OR APPROVED by the Commissioner.

4 (C) SO THAT THE APPLICANT IS REASONABLY FAMILIAR WITH THE KIND OR  
 5 SUBDIVISION OF INSURANCE FOR WHICH THE APPLICANT WANTS TO BE QUALIFIED:

6 (1) THE APPLICANT MUST COMPLETE SUCCESSFULLY A PROGRAM OF  
 7 STUDIES THAT HAS BEEN ESTABLISHED OR APPROVED BY THE COMMISSIONER;

8 (2) DURING THE 3 YEARS IMMEDIATELY PRECEDING THE DATE OF  
 9 APPLICATION, THE APPLICANT MUST HAVE BEEN EMPLOYED REGULARLY FOR  
 10 PERIODS TOTALING AT LEAST 1 YEAR:

11 (I) BY THE ADMINISTRATION AS AN EMPLOYEE OR BY AN INSURER,  
 12 AGENT, OR BROKER; AND

13 (II) IN RESPONSIBLE INSURANCE DUTIES IN CONNECTION WITH  
 14 THE KIND OR SUBDIVISION OF INSURANCE FOR WHICH THE APPLICANT WANTS TO  
 15 BE QUALIFIED; OR

16 (3) DURING THE 3 YEARS IMMEDIATELY PRECEDING THE DATE OF  
 17 ENTERING OR IMMEDIATELY AFTER DISCHARGE FROM THE ARMED FORCES OF THE  
 18 UNITED STATES, THE APPLICANT MUST HAVE BEEN EMPLOYED REGULARLY FOR  
 19 PERIODS TOTALING AT LEAST 1 YEAR:

20 (I) BY AN INSURER, AGENCY, OR BROKER; AND

21 (II) IN CONNECTION WITH THE KIND OR SUBDIVISION OF  
 22 INSURANCE FOR WHICH THE APPLICANT WANTS TO BE QUALIFIED.

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

24 (1) demonstrate to the Commissioner that the applicant has completed  
 25 the ~~educational~~ requirements set out by the Commissioner, including the ~~requirement~~  
 26 REQUIREMENTS of subsection (c) of this section; and

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

28 (e) (1) Except as otherwise provided in this subsection, the applicant must  
 29 pass an examination given by the Commissioner under this subtitle.

30 (2) The following applicants are not required to take an examination:

31 (i) an applicant for a certificate of qualification to act as an agent  
 32 only for selling credit life insurance or credit accident and health insurance or both to  
 33 a borrower of money or buyer of goods in connection with a loan or credit transaction;

34 (ii) an applicant for a certificate of qualification to act as an agent  
 35 for a dental plan organization if the applicant for compensation solicited, procured, or

1 negotiated contracts for dental plan organizations continuously from July 1, 1988, to  
2 June 30, 1989;

3 (iii) an applicant for a certificate of qualification to act as an agent  
4 for a nonprofit health service plan if the applicant for compensation solicited,  
5 procured, or negotiated contracts for nonprofit health service plans continuously from  
6 July 1, 1988, to June 30, 1989; or

7 (iv) an applicant for a certificate of qualification to act as an agent  
8 for a health maintenance organization if the applicant for compensation solicited,  
9 procured, or negotiated contracts for health maintenance organizations continuously  
10 from July 1, 1988, to June 30, 1989.

11 (3) The Commissioner may waive the examination requirement of this  
12 section for an applicant who:

13 (i) 1. has been conferred the Chartered Life Underwriter  
14 (C.L.U.) designation by the American College of Life Underwriters; and

15 2. is a member in good standing of the American Society of  
16 Chartered Life Underwriters; or

17 (ii) has been conferred the designation of Fellow of the Society of  
18 Actuaries.

19 (f) An applicant may qualify as to any particular kind or kinds of insurance  
20 and may request a certificate of qualification to act as an agent or broker or both.

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