

HOUSE BILL 898

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2001 Regular Session
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By: **Chairman, Economic Matters Committee (Departmental - Insurance Administration, Maryland)**

Introduced and read first time: February 9, 2001

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 2001

CHAPTER _____

1 AN ACT concerning

2 **Insurance Producer Licensing Act**

3 FOR the purpose of requiring an individual to be licensed before that individual may
4 act as an insurance producer in the State; defining the term "insurance
5 producer"; defining and replacing certain terms; repealing provisions relating to
6 the licensing of fraternal benefit agents; establishing educational standards,
7 examination requirements, and other requirements that must be met to be
8 licensed or to have a license renewed; repealing a certain bond requirement;
9 authorizing a business entity to be licensed as an insurance producer if the
10 business entity meets certain requirements; providing for the issuance, scope,
11 term, renewal, and reinstatement of a license; repealing a prohibition on
12 renewing the license of an agent who has not held an appointment for a certain
13 period of time; requiring an insurer that terminates the appointment of an
14 insurance producer to notify the Commissioner of the termination and report
15 certain information to the Commissioner; requiring the Commissioner to grant
16 waivers of certain licensing requirements to nonresidents under certain
17 conditions; authorizing the Commissioner to impose certain fines, deny a license
18 to an applicant, or suspend, revoke, or refuse to renew or reinstate a license
19 under certain circumstances; authorizing an insurer or insurance producer to
20 pay or assign certain consideration to certain persons except under certain
21 circumstances; altering certain fees; requiring an applicant for a certificate of
22 qualification as a managing general agent to meet certain requirements;
23 repealing a termination provision relating to contractual examination and
24 licensing services; defining certain terms; conforming the terminology of certain
25 miscellaneous provisions of the Annotated Code to terminology used in this Act;
26 providing for the effective date of this Act; and generally relating to the licensing
27 of insurance producers by the Commissioner.

1 BY repealing and reenacting, with amendments,

2 Article - Insurance

3 Section 1-101(c), (g), (r), and (bb), 1-202(4)(vii), 1-205(a)(1), 2-112(a)(4), (6),
 4 and (8), 2-206(1), 2-209(d)(1), 2-215(c)(2), 2-504(a), 3-306.1(a), 3-307(a),
 5 3-311, 3-315, 3-317(a)(5), 4-113(b)(10) through (13) and (c), 4-203(b),
 6 4-204, 4-205(c)(6), 5-102(a)(3), 6-203(b), 6-303, 8-101(c) and (d),
 7 8-105(a), (b), (c), (d), (e), (f)(2), and (g), 8-106(a), (c), and (d), 8-107(a)(1),
 8 (b), and (c), 8-108, 8-109(a) and (c), 8-201(c)(2)(iv), 8-206(a)(4) and (12),
 9 8-209(a)(2), 8-210(f), 8-301(b)(2)(i)2. and 3., 8-316(b), 8-449,
 10 8-467(b)(1)(iii) and (iv), 8-501(f)(1)(i), 8-503(b)(1) and (2)(ii), 8-507(a)(2),
 11 8-509(c)(3), 8-511(a), 8-518(a)(3), 9-209(b)(1) and (2), 9-414(h)(1), 10-101
 12 through 10-106, 10-108(a), (b), and (d), 10-109(a) and (d), 10-110(a)
 13 through (c), 10-112 through 10-115, 10-116(a) and (b), 10-116.1 through
 14 10-119, 10-120 through 10-132, 10-202(b)(1) and (2), 10-203(b), 10-208,
 15 10-301(c) and (h), 10-305, 10-402(1) and (2), 10-503(a), 10-602 through
 16 10-604, ~~10-606~~ 10-606, 11-230, 11-325(g), 11-407(c), 12-106(d)(1),
 17 12-209(5) and (6), 12-210(b), 13-116(a)(3), 14-139(a)(4), 15-207,
 18 15-210(a), 15-211(a), 15-916(d), 15-919(a) and (d)(3), 15-922(b) and (d),
 19 15-924(b) and (c), 15-925, 16-104(b), 16-501(9), 18-106(a)(2)(i),
 20 18-120(2), ~~19-101(e)(1)~~, 19-111(a), 20-502(e)(1) and (2)(i), 20-504(b)(1)
 21 and (d), 20-507(f)(3), 20-509(a)(1) and (2), (b)(1) and (2)(iv), (c), (d), and
 22 (f)(1), 20-510, 20-511, 20-512(a) and (b)(3), 20-513, 20-514(a) and (b)(2),
 23 20-515(a), 20-520(d)(2)(ii), 23-101(b), 23-201(b), 23-301(b)(1), 23-302(b),
 24 23-302.2, 23-403.1, 23-501, 23-502, 23-505.2, 23-506, 25-106(d)(1),
 25 25-107(a) and (b)(1), 25-401(g), 25-405(e), 25-407(e), 27-211(b), 27-212(b)
 26 and (e), 27-214, 27-216(b)(2)(iv), (d)(1), and (e)(2) through (4), 27-220,
 27 27-405, 27-501(a) and (c), 27-503, 27-601(c), 27-604(b) and (c),
 28 27-607(a)(2), 27-802(a)(1) and (b), 27-911, and 27-912

29 Annotated Code of Maryland

30 (1997 Volume and 2000 Supplement)

31 BY repealing

32 Article - Insurance

33 Section 1-101(i), (ff), and (gg), 8-401(e) and (f), 8-450 through 8-458, 10-111,
 34 10-116(c), 10-119.1, 10-204(c)(2)(v), 20-101(k), and 25-401(f)

35 Annotated Code of Maryland

36 (1997 Volume and 2000 Supplement)

37 BY adding to

38 Article - Insurance

39 Section 1-101(o), (w), (cc), (kk), and (ll), 4-113(b)(14) and (15), 8-202.1, 10-113,
 40 10-116(c), 10-133, and 10-204(c)(2)(v)

41 Annotated Code of Maryland

42 (1997 Volume and 2000 Supplement)

43 BY repealing and reenacting, without amendments,

1 Article - Insurance
2 Section 4-113(d)
3 Annotated Code of Maryland
4 (1997 Volume and 2000 Supplement)

5 BY renumbering

6 Article - Insurance
7 Section 1-101 (d) through (f), (h), (j) through (p), (q), (r), (s) through (u), (w)
8 through (aa), (cc) through (ee), (kk) through (rr), 8-401(g) through (k), and
9 20-101(l), respectively
10 to be Section 1-101 (c) through (e), (g), (h) through (n), (p), (q), (r) through (t), (x)
11 through (bb), (ee) through (gg), (mm) through (tt), 8-401(e) through (i), and
12 20-101(k), respectively
13 Annotated Code of Maryland
14 (1997 Volume and 2000 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article - Commercial Law
17 Section 11-203(4), 12-310(b), 12-312(b), and 13-104(1)
18 Annotated Code of Maryland
19 (2000 Replacement Volume and 2000 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article - Corporations and Associations
22 Section 11-101(h)(2)(iii)
23 Annotated Code of Maryland
24 (1999 Replacement Volume and 2000 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article - Labor and Employment
27 Section 8-209(a)
28 Annotated Code of Maryland
29 (1999 Replacement Volume and 2000 Supplement)

30 BY repealing and reenacting, with amendments,

31 Article - Transportation
32 Section 5-1002(c) and 17-109(b)
33 Annotated Code of Maryland
34 (1993 Replacement Volume and 2000 Supplement)

35 BY repealing

36 Chapter 271 of the Acts of the General Assembly of 1996
37 Section 7

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 1-101.

5 [(c)] (U)(1) ["Agent"] "INSURANCE PRODUCER" means a person that, for
6 compensation, SELLS, solicits, [procures,] OR negotiates[, or makes] insurance
7 contracts, including contracts for nonprofit health service plans, dental plan
8 organizations, and health maintenance organizations, or the renewal or continuance
9 of these insurance contracts for:

10 (I) persons issuing the insurance contracts; OR

11 (II) INSUREDS OR PROSPECTIVE INSUREDS OTHER THAN THE
12 INSURANCE PRODUCER.

13 (2) ["Agent"] "INSURANCE PRODUCER" does not include:

14 (i) an individual who performs clerical[, stenographic,] or similar
15 office duties while employed by an [agent] INSURANCE PRODUCER or insurer,
16 including a clerical employee, other than a clerical employee of an insurer, who takes
17 insurance information or receives premiums in the [agent's] INSURANCE
18 PRODUCER'S office, if the employee's compensation does not vary with the number of
19 applications or amount of premiums;

20 (ii) a regular salaried officer or employee of an insurer who gives
21 help to or for a [qualified agent] LICENSED INSURANCE PRODUCER, if the officer or
22 employee is not paid a commission or other compensation that depends directly on the
23 amount of business obtained; or

24 (iii) if not paid a commission, a person that obtains and forwards
25 information for:

26 1. group insurance coverage;

27 2. enrolling individuals under group insurance coverage;

28 [or]

29 3. issuing certificates under group insurance coverage; OR

30 4. OTHERWISE ASSISTING IN ADMINISTERING GROUP
31 PLANS.

32 [(g)] (F) "Appointment" means an agreement between an [agent] INSURANCE
33 PRODUCER and insurer under which the [agent] INSURANCE PRODUCER, for
34 compensation, may SELL, solicit, [procure,] OR negotiate[, or make] policies issued
35 by the insurer.

1 [(i) "Broker" means a person that, for compensation, solicits, procures, or
2 negotiates insurance contracts or the renewal or continuance of insurance contracts:

3 (1) for insureds or prospective insureds other than the broker; and

4 (2) not for an insurer or agent.]

5 (O) "FUND PRODUCER" MEANS A LICENSED INSURANCE PRODUCER,
6 INCLUDING A LICENSED INDEPENDENT INSURANCE PRODUCER, THAT HAS BEEN
7 ASSIGNED AN AUTHORIZATION CODE BY THE MARYLAND AUTOMOBILE INSURANCE
8 FUND.

9 [(r)] (P) "Independent [agent] INSURANCE PRODUCER" means an [agent]
10 INSURANCE PRODUCER:

11 (1) that is not owned or controlled by an insurer or group of insurers;

12 (2) the appointment of which does not prohibit the representation of
13 more than one insurer or group of insurers; and

14 (3) the appointment of which provides that:

15 (i) at termination, the records of the [agent] INSURANCE
16 PRODUCER remain the property of the [agent] INSURANCE PRODUCER; and

17 (ii) the [agent] INSURANCE PRODUCER retains the use and control
18 of all expirations incurred during the [agency] PERIOD WHEN THE APPOINTMENT
19 WAS IN EFFECT.

20 (W) "LICENSED INSURANCE PRODUCER" MEANS AN INSURANCE PRODUCER
21 THAT HAS:

22 (1) OBTAINED A LICENSE UNDER TITLE 10, SUBTITLE 1 OF THIS
23 ARTICLE; AND

24 (2) IN THE CASE OF AN INSURANCE PRODUCER THAT ACTS ON BEHALF
25 OF AN INSURER OTHER THAN THE MARYLAND AUTOMOBILE INSURANCE FUND,
26 OBTAINED AN APPOINTMENT UNDER TITLE 10, SUBTITLE 1 OF THIS ARTICLE.

27 (CC) "NEGOTIATE" MEANS TO CONFER DIRECTLY WITH OR OFFER ADVICE
28 DIRECTLY TO A PURCHASER OR PROSPECTIVE PURCHASER OF A PARTICULAR
29 CONTRACT OF INSURANCE CONCERNING ANY OF THE SUBSTANTIVE BENEFITS,
30 TERMS, OR CONDITIONS OF THE CONTRACT, PROVIDED THAT THE PERSON ENGAGED
31 IN THAT ACT EITHER SELLS INSURANCE OR OBTAINS INSURANCE FROM INSURERS
32 FOR PURCHASERS.

33 [(bb)] (DD) "Person" means an individual, receiver, trustee, guardian, personal
34 representative, fiduciary, representative of any kind, partnership, firm, association,
35 corporation, or other entity.

1 [(ff) "Qualified agent" means an agent that has obtained a certificate of
2 qualification and an appointment under Title 10, Subtitle 1 of this article.

3 (gg) "Qualified broker" means a broker that has obtained a certificate of
4 qualification under Title 10, Subtitle 1 of this article.]

5 (KK) "SELL" MEANS TO EXCHANGE A CONTRACT OF INSURANCE BY ANY MEANS,
6 FOR MONEY OR ITS EQUIVALENT, ON BEHALF OF AN INSURER.

7 (LL) "SOLICIT" MEANS TO ATTEMPT TO SELL INSURANCE OR TO ASK OR URGE A
8 PERSON TO APPLY FOR A PARTICULAR KIND OF INSURANCE FROM A PARTICULAR
9 INSURER.

10 1-202.

11 This article does not apply to:

12 (4) a voluntary noncontractual religious publication arrangement that:

13 (vii) does not use a compensated [agent] INSURANCE PRODUCER,
14 representative, or other person to solicit or enroll subscribers;

15 1-205.

16 (a) A county or municipal corporation of the State may not:

17 (1) require an insurer, [agent, broker] INSURANCE PRODUCER, adjuster,
18 public adjuster, or advisor to obtain a local certificate of authority or certificate of
19 qualification to transact insurance business in that county or municipal corporation;
20 or

21 2-112.

22 (a) Fees for the following certificates, licenses, and services shall be collected
23 in advance by the Commissioner, and shall be paid by the appropriate persons to the
24 Commissioner:

25 (4) fees for certificates of qualification:

26 [(i) agent certificate of qualification:

27 1. fee for initial certificate within 1 year of renewal .. \$25

28 2. fee for initial certificate over 1 year from renewal . \$50

29 3. biennial renewal fee \$50

30 (ii) broker certificate of qualification:

31 1. fee for initial certificate within 1 year of renewal .. \$40

1 2. fee for initial certificate over 1 year from renewal . \$80

2 3. biennial renewal fee\$80]

3 [(iii)] (I) application fee \$25

4 [(iv)] (II) managing general agent certificate of qualification:

5 1. fee for initial certificate \$30

6 2. annual renewal fee \$30

7 [(v)] (III) surplus lines broker certificate of qualification:

8 1. fee for initial certificate within 1 year of renewal \$100

9 2. fee for initial certificate over 1 year from renewal \$100

10 3. biennial renewal fee \$200

11 (6) fee for temporary [certificates of qualification] INSURANCE
12 PRODUCER LICENSES and appointments[:] \$27

13 [(i) agents \$25

14 [(ii) brokers\$40]

15 (8) fees for licenses:

16 (i) public adjuster license:

17 1. fee for initial license within 1 year of renewal \$25

18 2. fee for initial license over 1 year from renewal \$50

19 3. biennial renewal fee \$50

20 (ii) adviser license:

21 1. fee for initial license within 1 year of renewal ... \$100

22 2. fee for initial license over 1 year from renewal ... \$200

23 3. biennial renewal fee \$200

24 (III) INSURANCE PRODUCER LICENSE:

25 1. FEE FOR INITIAL LICENSE \$54

26 2. BIENNIAL RENEWAL FEE \$54

27 (IV) APPLICATION FEE \$25

1 2-206.

2 When advisable to determine compliance with this article, the Commissioner
3 may examine the accounts, records, documents, and transactions that relate to the
4 insurance affairs or proposed insurance affairs of:

5 (1) an [agent, broker,] INSURANCE PRODUCER, surplus lines broker,
6 general agent, adjuster, public adjuster, or adviser;

7 2-209.

8 (d) (1) After an examination report is filed with the Commissioner, the
9 examination report is admissible as evidence of the facts contained in it in any action
10 brought by the Commissioner against the person examined or an officer or [agent]
11 INSURANCE PRODUCER of the person.

12 2-215.

13 (c) (2) If the appeal is from the suspension or revocation of a certificate of
14 authority of a domestic insurer[, certificate of qualification of an agent or broker,] or
15 license of an INSURANCE PRODUCER, adviser, or public adjuster, an appeal may be
16 taken to the circuit court of the county where:

17 (i) the domestic insurer has its principal place of business; or

18 (ii) the licensee or certificate holder resides.

19 2-504.

20 (a) The assessment fee imposed on insurers under this subtitle is in lieu of any
21 life insurance valuation fees and a reduction in specified [agent] INSURANCE
22 PRODUCER fees that the Commissioner had previously charged and collected under §
23 2-112 of this title.

24 3-306.1.

25 (a) (1) A diligent search required by § 3-306 of this subtitle shall be deemed
26 completed if:

27 (i) the insured or the surplus lines broker or [agent] INSURANCE
28 PRODUCER obtains declinations of a risk from three authorized insurers that are
29 writing the particular kind and class of insurance in this State; and

30 (ii) the declinations are included in the affidavit required under §
31 3-307 of this subtitle.

32 (2) In addition to the requirement of paragraph (1)(i) of this subsection,
33 an [agent] INSURANCE PRODUCER shall obtain a declination from each insurer for
34 which the [agent] INSURANCE PRODUCER has been appointed that the [agent]
35 INSURANCE PRODUCER knows, or should know, is actually writing on a broad basis
36 the particular kind and class of insurance sought.

1 3-307.

2 (a) An affidavit that sets forth the facts referred to in § 3-306 of this subtitle
3 and any other facts required by the Commissioner must be personally executed by the
4 surplus lines broker or the originating [agent or broker] INSURANCE PRODUCER at
5 the time the surplus lines insurance is placed.

6 3-311.

7 An applicant for a certificate of qualification must be:

8 (1) qualified as [a broker] AN INSURANCE PRODUCER for property
9 insurance and casualty insurance; and

10 (2) competent and trustworthy, as determined by the Commissioner.

11 3-315.

12 A qualified surplus lines broker may:

13 (1) accept and place surplus lines insurance business from an [agent or
14 broker] INSURANCE PRODUCER with a [certificate of qualification] LICENSE in the
15 State for the kind of insurance involved; and

16 (2) compensate the [agent or broker] INSURANCE PRODUCER for the
17 surplus lines insurance business.

18 3-317.

19 (a) The Commissioner may suspend or revoke the certificate of qualification of
20 a surplus lines broker:

21 (5) for any applicable ground for suspending or revoking the [certificate
22 of qualification] LICENSE of an [agent or broker] INSURANCE PRODUCER under this
23 article.

24 4-113.

25 (b) The Commissioner may deny a certificate of authority to an applicant or,
26 subject to the hearing provisions of Title 2 of this article, refuse to renew, suspend, or
27 revoke a certificate of authority if the applicant or holder of the certificate of
28 authority:

29 (10) is found by the Commissioner to have participated, with or without
30 the knowledge of an [agent or broker] INSURANCE PRODUCER, in selling motor
31 vehicle insurance without an actual intent to sell the insurance, as evidenced by a
32 persistent pattern of filing certificates of insurance together with or closely followed
33 by cancellation notices for the insurance;

34 (11) except as allowed under § 10-103[(b)](C) of this article, is found by
35 the Commissioner to have knowingly participated with a person, acting as [an agent]

1 AN INSURANCE PRODUCER, that does not have an appointment from the insurer in
2 accepting insurance contracts that the person has SOLD, solicited, OR negotiated[, or
3 effectuated], if committed with sufficient frequency to indicate a general business
4 practice;

5 (12) has had a certificate of authority revoked or suspended by the
6 insurance regulatory authority of another state; [or]

7 (13) has violated the provisions of Title 6.5 of the State Government
8 Article;

9 (14) FAILS TO PROVIDE TO THE COMMISSIONER OR AN INSURANCE
10 PRODUCER ANY INFORMATION REQUIRED BY § 10-118 OF THIS ARTICLE REGARDING
11 THE TERMINATION OF AN APPOINTMENT OF THE INSURANCE PRODUCER; OR

12 (15) IN PROVIDING INFORMATION REQUIRED BY OR PROVIDED
13 PURSUANT TO § 10-118 OF THIS ARTICLE REGARDING THE TERMINATION OF AN
14 APPOINTMENT OF AN INSURANCE PRODUCER, MAKES AN INACCURATE STATEMENT
15 WITH ACTUAL MALICE.

16 (c) (1) On refusal to renew, suspension, or revocation of an insurer's
17 certificate of authority, the Commissioner immediately shall notify:

18 (i) the insurer; and

19 (ii) each [agent] INSURANCE PRODUCER of the insurer in the state
20 of record in the office of the Commissioner.

21 (2) The refusal to renew, revocation, or suspension of a certificate of
22 authority automatically suspends or revokes the appointment of each [agent]
23 INSURANCE PRODUCER of the insurer in the State.

24 (3) The Commissioner shall state in the notice to each [agent]
25 INSURANCE PRODUCER under paragraph (1) of this subsection that the appointment
26 of the [agent] INSURANCE PRODUCER has been suspended or revoked.

27 (4) The Commissioner may publish notice of the revocation of a
28 certificate of authority in a newspaper published in the State.

29 (d) Instead of or in addition to suspending or revoking a certificate of
30 authority, the Commissioner may:

31 (1) impose on the holder a penalty of not less than \$100 but not more
32 than \$125,000 for each violation of this article; and

33 (2) require the holder to make restitution to any person who has suffered
34 financial injury because of the violation of this article.

1 4-203.

2 (b) With respect to a subject of insurance resident, located, or to be performed
3 in the State, a person may not in the State directly or indirectly act as an [agent]
4 INSURANCE PRODUCER for, or otherwise represent or help on behalf of another, an
5 unauthorized insurer to:

6 (1) solicit, negotiate, or effect insurance or an annuity contract;

7 (2) inspect risks;

8 (3) fix rates;

9 (4) investigate or adjust losses;

10 (5) collect premiums; or

11 (6) transact insurance business in any other manner.

12 4-204.

13 (a) (1) A person may not accept for publication or printing in a newspaper,
14 magazine, or other periodical, or for broadcast on radio or television in the State, an
15 advertisement or other notice that directly or indirectly solicits business for or sets
16 forth the advantages of doing business with an insurer, [agent] INSURANCE
17 PRODUCER, or other person, unless the person that will publish or broadcast the
18 advertisement or notice has a certificate issued by the Commissioner stating that the
19 insurer, [agent] INSURANCE PRODUCER, or other person named in the certificate is
20 authorized to transact insurance business in the State.

21 (2) On application of any person, the Commissioner shall issue the
22 certificate without charge.

23 (b) A person may not publish or print in a newspaper, magazine, periodical,
24 circular letter, pamphlet, or in any other manner, or broadcast by radio or television
25 in the State, an advertisement or other notice that directly or indirectly solicits
26 business for or sets forth the advantages of doing business with an insurer, [agent]
27 INSURANCE PRODUCER, or other person that is not authorized to transact insurance
28 business in the State.

29 (c) A manufacturer, jobber, wholesaler, or retailer may not distribute or cause
30 to be distributed matchbooks or other advertising matter, except newspapers and
31 magazines of general circulation, that directly or indirectly solicits business for or sets
32 forth the advantages of doing business with an insurer, [agent] INSURANCE
33 PRODUCER, or other person that is not authorized to transact insurance business in
34 the State.

1 4-205.

2 (c) Any of the following acts in the State, effected by mail or otherwise, is
3 considered to be doing an insurance business in the State:

4 (6) except as provided in subsection (d) of this section, with respect to a
5 subject of insurance resident, located, or to be performed in the State, directly or
6 indirectly acting as an [agent] INSURANCE PRODUCER for, or otherwise representing
7 or helping on behalf of another, an insurer or other person to:

8 (i) solicit, negotiate, procure, or effect insurance or the renewal of
9 insurance;

10 (ii) disseminate information about coverage or rates;

11 (iii) forward an application;

12 (iv) deliver a policy or insurance contract;

13 (v) inspect risks;

14 (vi) fix rates;

15 (vii) investigate or adjust claims or losses;

16 (viii) transact matters arising out of an insurance contract after the
17 insurance contract becomes effective; or

18 (ix) in any other manner represent or help an insurer or other
19 person to transact insurance business;

20 5-102.

21 (a) Notwithstanding § 5-101 of this subtitle, in determining the financial
22 condition of an insurer, the following expressly are not allowed as admitted assets:

23 (3) an advance given only on personal security to an employee or [agent]
24 INSURANCE PRODUCER of the insurer or to another person;

25 6-203.

26 (b) For each [agent, broker] INSURANCE PRODUCER, public adjuster,
27 insurance adviser, [fraternal benefit society agent,] or third party administrator
28 qualified, licensed, or registered by the Commissioner, the fraud prevention fee shall
29 be:

30 (1) \$15;

31 (2) due on or before June 30 of every other year; and

1 (3) if applicable, payable with the certificate of qualification, license, or
2 registration renewal fee.

3 6-303.

4 (a) When by or pursuant to the laws of any other state or foreign country any
5 taxes, licenses and other fees other than fees similar to the assessment fee
6 established under Title 2, Subtitle 5 of this article, in the aggregate, and any fines,
7 penalties, deposit requirements or other material obligations, prohibitions or
8 restrictions are or would be imposed upon Maryland insurers, or upon the [agents]
9 INSURANCE PRODUCERS or representatives of such insurers, which are in excess of
10 such taxes, licenses and other fees, in the aggregate, or which are in excess of the
11 fines, penalties, deposit requirements or other obligations, prohibitions, or
12 restrictions directly imposed upon similar insurers, or upon the [agents] INSURANCE
13 PRODUCERS or representatives of such insurers, of such other state or country under
14 the statutes of this State, so long as such laws of such other state or country continue
15 in force or are so applied, the same taxes, licenses and other fees, in the aggregate, or
16 fines, penalties or deposit requirements or other material obligations, prohibitions, or
17 restrictions of whatever kind shall be imposed by the Commissioner upon the
18 insurers, or upon the [agents] INSURANCE PRODUCERS or representatives of such
19 insurers, of such other state or country doing business or seeking to do business in
20 Maryland.

21 (b) For the purposes of this subtitle, any tax, license or other fee or other
22 obligation imposed by a political subdivision or agency of another state or country
23 upon Maryland insurers or their [agents] INSURANCE PRODUCERS or
24 representatives shall be deemed to be imposed by that state or country.

25 8-101.

26 (c) "Controlled insurer" means an insurer that is under the control of a
27 controlling [broker] INSURANCE PRODUCER.

28 (d) "Controlling [broker] INSURANCE PRODUCER" means [a broker] AN
29 INSURANCE PRODUCER that has control of a controlled insurer.

30 8-105.

31 (a) In this section, "independent casualty actuary" means a casualty actuary
32 who:

33 (1) is a member of the American Academy of Actuaries; and

34 (2) is not affiliated with, an employee of, a principal of, the direct or
35 indirect owner of, or in any way in the control of a controlled insurer or a controlling
36 [broker] INSURANCE PRODUCER.

37 (b) If a controlling [broker] INSURANCE PRODUCER, when the insurance
38 business is placed, is acting in a transaction on behalf of an insured for compensation,
39 commission, or other valuable consideration, the controlling [broker] INSURANCE

1 PRODUCER may not directly or indirectly place insurance business with its controlled
2 insurer unless the requirements of this section are met.

3 (c) There shall be a written contract between the controlling [broker]
4 INSURANCE PRODUCER and controlled insurer that has been approved by the board of
5 directors of the controlled insurer.

6 (d) (1) If insurance business is placed through a controlling [broker]
7 INSURANCE PRODUCER, the controlling [broker] INSURANCE PRODUCER shall
8 deliver written notice to the prospective insured before the effective date of the policy,
9 disclosing the relationship between the controlling [broker] INSURANCE PRODUCER
10 and the controlled insurer.

11 (2) The disclosure shall be signed by the prospective insured and
12 retained in the underwriting file until the filing of the examination report for the
13 period during which the policy is in effect.

14 (3) If insurance business is placed through a [subbroker]
15 SUB-INSURANCE PRODUCER that is not a controlling [broker] INSURANCE
16 PRODUCER, the controlling [broker] INSURANCE PRODUCER shall retain in the
17 controlling [broker's] INSURANCE PRODUCER'S records a signed statement from the
18 [subbroker] SUB-INSURANCE PRODUCER that:

19 (i) the [subbroker] SUB-INSURANCE PRODUCER is aware of the
20 relationship between the controlling [broker] INSURANCE PRODUCER and the
21 controlled insurer;

22 (ii) the [subbroker] SUB-INSURANCE PRODUCER has delivered to
23 the prospective insured written notice disclosing that relationship; and

24 (iii) the disclosure has been signed by the prospective insured and
25 will be retained by the [subbroker] SUB-INSURANCE PRODUCER for 3 years.

26 (e) At least quarterly, the controlling [broker] INSURANCE PRODUCER shall
27 pay to the controlled insurer all money that the controlling [broker] INSURANCE
28 PRODUCER collected for the account of the controlled insurer, net of commissions,
29 cancellations, and other adjustments.

30 (f) (2) The opinion shall:

31 (i) report loss ratios for each line of insurance business written;
32 and

33 (ii) attest that loss reserves are adequate for losses incurred and
34 outstanding as of year end on insurance business placed by the controlling [broker]
35 INSURANCE PRODUCER, including losses incurred but not reported.

36 (g) The controlled insurer shall report annually to the Commissioner:

1 (1) the amount of commission it paid to the controlling [broker]
2 INSURANCE PRODUCER;

3 (2) the percentage that amount represents of the net premiums written;
4 and

5 (3) comparable amounts and percentages paid to noncontrolling
6 [brokers] INSURANCE PRODUCERS for placement of the same kinds of insurance.

7 8-106.

8 (a) In this section, "reinsurance intermediary" means a person that acts as [a
9 broker] AN INSURANCE PRODUCER in:

10 (1) soliciting, negotiating, or procuring a reinsurance contract or binder
11 for a ceding insurer; or

12 (2) accepting a reinsurance contract or binder for an assuming insurer.

13 (c) A reinsurance intermediary that has control of an assuming insurer may
14 not directly or indirectly place insurance business with the assuming insurer in a
15 transaction in which the reinsurance intermediary acts as [a broker] AN INSURANCE
16 PRODUCER for the ceding insurer.

17 (d) A reinsurance intermediary that has control of a ceding insurer may not
18 directly or indirectly accept business from the ceding insurer in a transaction in
19 which the reinsurance intermediary acts as [a broker] AN INSURANCE PRODUCER for
20 the assuming insurer.

21 8-107.

22 (a) (1) With respect to insurance business placed by its controlling [broker]
23 INSURANCE PRODUCER, the controlled insurer may not engage in a pattern of
24 charging premiums that are unjustifiably lower than those being charged by the
25 controlled insurer or other insurers for similar risks written during the same period
26 and placed by noncontrolling [brokers] INSURANCE PRODUCERS.

27 (b) With respect to insurance business placed by its controlling [broker]
28 INSURANCE PRODUCER, the controlled insurer shall establish underwriting
29 procedures and may not deviate from them.

30 (c) A controlled insurer's capitalization at the time insurance business is
31 placed by the controlling [broker] INSURANCE PRODUCER and with respect to that
32 insurance business shall comply with:

33 (1) criteria set by the Commissioner; and

34 (2) all applicable insurance laws.

1 8-108.

2 The controlling [broker] INSURANCE PRODUCER shall keep records sufficient
3 to:

4 (1) demonstrate that the controlling [broker's] INSURANCE
5 PRODUCER'S dealings with its controlled insurer were fair and comply with Title 7 of
6 this article; and

7 (2) disclose accurately the nature and details of the controlling
8 [broker's] INSURANCE PRODUCER'S transactions with its controlled insurer,
9 including any information that is necessary to support the charges or fees to the
10 respective parties.

11 8-109.

12 (a) If the Commissioner has reason to believe that a controlling [broker]
13 INSURANCE PRODUCER has violated or is violating this subtitle, the Commissioner
14 shall:

15 (1) serve on the controlling [broker] INSURANCE PRODUCER a
16 statement of charges and notice of hearing; and

17 (2) hold a hearing subject to §§ 2-210 through 2-214 of this article.

18 (c) The controlling [broker] INSURANCE PRODUCER shall reimburse the
19 Property and Casualty Insurance Guaranty Corporation for any payments made by
20 the Property and Casualty Insurance Guaranty Corporation for losses, loss
21 adjustment, and administrative expenses on the insurance business placed by the
22 controlling [broker] INSURANCE PRODUCER in excess of gross earned premiums and
23 investment income earned on premiums and loss reserves for the insurance business
24 if the Commissioner finds that:

25 (1) the controlling [broker] INSURANCE PRODUCER violated this
26 subtitle; and

27 (2) the violation substantially contributed to the insolvency of the
28 controlled insurer.

29 8-201.

30 (c) (2) "Managing general agent" does not include:

31 (iv) an authorized [agent] INSURANCE PRODUCER acting for a
32 surety insurer that engages exclusively in the business of issuing bail bonds; or

1 8-202.1.

2 AN APPLICANT FOR A CERTIFICATE OF QUALIFICATION MUST BE:

3 (1) LICENSED AS AN INSURANCE PRODUCER UNDER TITLE 10, SUBTITLE
4 1 OF THIS ARTICLE; AND

5 (2) COMPETENT AND TRUSTWORTHY, AS DETERMINED BY THE
6 COMMISSIONER.

7 8-206.

8 (a) The Commissioner shall deny or refuse to renew a certificate of
9 qualification if the applicant or holder of the certificate of qualification:

10 (4) has misappropriated, converted, or unlawfully withheld money that
11 belongs to an insurer, [agent, broker] INSURANCE PRODUCER, beneficiary, or
12 insured;

13 (12) has failed or refused to pay over on demand money that belongs to an
14 insurer, [agent, broker] INSURANCE PRODUCER, or other person entitled to the
15 money;

16 8-209.

17 (a) A managing general agent may not:

18 (2) appoint or hire an [agent] INSURANCE PRODUCER to solicit, procure,
19 or negotiate insurance contracts for the insurer without ensuring that the [agent]
20 INSURANCE PRODUCER is [qualified] LICENSED under Title 10, Subtitle 1 of this
21 article;

22 8-210.

23 (f) (1) Each insurer shall review its books and records each quarter to
24 determine if any [agent] INSURANCE PRODUCER has become a managing general
25 agent.

26 (2) If the insurer determines that an [agent] INSURANCE PRODUCER
27 has become a managing general agent:

28 (i) the insurer promptly shall notify the [agent] INSURANCE
29 PRODUCER and the Commissioner of the determination; and

30 (ii) the insurer and [agent] INSURANCE PRODUCER must comply
31 fully with the provisions of this subtitle within 30 days after the determination.

32 8-301.

33 (b) (2) "Administrator" does not include a person that:

1 (i) with respect to a particular plan:

2 2. is, or is an employee, [agent] INSURANCE PRODUCER,
3 managing general agent of, an insurer or health maintenance organization that
4 insures or administers the plan; or

5 3. is [a broker] AN INSURANCE PRODUCER that solicits,
6 procures, or negotiates a plan for a plan sponsor and that has no authority over the
7 adjustment, payment, or settlement of benefit claims under the plan or over the
8 investment or handling of the plan's assets;

9 8-316.

10 (b) An administrator may not procure the bond required by this subtitle from
11 a surety insurer or other company or through an [agent or broker] INSURANCE
12 PRODUCER in whose business operations the administrator has direct or indirect
13 control or significant financial interest.

14 8-401.

15 [(e) "Certificate of qualification" means a certificate of qualification issued by
16 the Commissioner to act as a fraternal benefit agent.

17 (f) "Fraternal benefit agent" means an authorized or acknowledged agent of a
18 society that acts as an agent in soliciting, negotiating, procuring, or making life
19 insurance, health insurance, or annuity contracts.]

20 8-449.

21 (a) Except as otherwise provided in this section, a person must obtain a
22 [certificate of qualification] LICENSE issued under [Part V of this subtitle] TITLE 10,
23 SUBTITLE 1 OF THIS ARTICLE before the person acts as [a fraternal benefit agent in
24 the State] AN INSURANCE PRODUCER FOR A FRATERNAL BENEFIT SOCIETY.

25 (b) Subsection (a) of this section does not apply to a regular salaried officer or
26 employee of a licensed society who:

27 (1) devotes substantially all of the officer's or employee's services to
28 activities other than soliciting insurance contracts; and

29 (2) does not receive, for soliciting insurance contracts, a commission or
30 other compensation that is directly dependent on the amount of business obtained.

31 (c) (1) Subsection (a) of this section does not apply to a fraternal benefit
32 [agent] INSURANCE PRODUCER or representative of a society that devotes, or intends
33 to devote, less than 50% of the person's time to SELLING, soliciting and [procuring]
34 NEGOTIATING insurance contracts for the society.

35 (2) For the purposes of paragraph (1) of this subsection, a person is
36 presumed to be devoting, or intending to devote, 50% or more of the person's time to

1 SELLING, soliciting or [procuring] NEGOTIATING insurance contracts for a society if,
2 in the preceding calendar year, the person has SOLD, solicited and [procured]
3 NEGOTIATED:

4 (i) life insurance contracts that, in the aggregate, exceed \$200,000
5 of coverage for all lives insured for the preceding calendar year;

6 (ii) a permanent life insurance contract offering more than \$10,000
7 of coverage on an individual life;

8 (iii) a term life insurance contract offering more than \$50,000 of
9 coverage on an individual life;

10 (iv) any insurance contracts other than life that the society may
11 write that insure the lives of more than 25 individuals; or

12 (v) any variable life insurance or variable annuity contract.

13 [8-450.

14 An applicant for a certificate of qualification shall:

15 (1) file with the Commissioner an application on the form that the
16 Commissioner provides; and

17 (2) pay to the Commissioner a biennial fee.]

18 [8-451.

19 (a) This section does not apply to a person that was licensed or qualified as a
20 fraternal benefit agent in the State before July 1, 1985.

21 (b) The Commissioner shall require an applicant for a certificate of
22 qualification to pass a written examination.

23 (c) The examination shall include questions only about:

24 (1) insurance issued by societies;

25 (2) the types of certificates, policies, or contracts in general proposed to
26 be solicited under the certificate of qualification; and (3) the laws of the State that
27 relate to the activities of a fraternal benefit agent.

28 (d) The examination fee is \$15 for each examination.]

29 [8-452.

30 The Commissioner shall issue a certificate of qualification to each applicant who
31 meets the requirements of this subtitle.]

1 [8-453.

2 A certificate of qualification authorizes the holder to act as a fraternal benefit
3 agent for a society authorized to do insurance business in the State.]

4 [8-454.

5 (a) A certificate of qualification expires on the first June 30 after its effective
6 date and in an odd-numbered year, unless it is renewed for a 2-year term as provided
7 in this section.

8 (b) At least 1 month before a certificate of qualification expires, the
9 Commissioner shall mail to the holder of the certificate of qualification, at the last
10 known address of the holder:

11 (1) a renewal application form; and

12 (2) a notice that states:

13 (i) the date by which the Commissioner must receive the renewal
14 application for the renewal to be issued and mailed before the certificate of
15 qualification expires; and

16 (ii) the amount of the renewal fee.

17 (c) Before a certificate of qualification expires, the holder of the certificate of
18 qualification may renew it for an additional 2-year term, if the holder:

19 (1) otherwise is entitled to a certificate of qualification;

20 (2) files with the Commissioner a renewal application on the form that
21 the Commissioner provides;

22 (3) pays to the Commissioner a renewal fee; and (4) completes continuing
23 education requirements established under § 10-116 of this article and any regulations
24 adopted under § 10-116 of this article by the June 30 on which the certificate of
25 qualification expires.

26 (d) (1) The Commissioner shall renew the certificate of qualification of each
27 holder who meets the requirements of this section.

28 (2) If an application for renewal is filed with the Commissioner in a
29 timely manner, the holder of the certificate of qualification may continue to act as a
30 fraternal benefit agent under that certificate of qualification until the Commissioner
31 renews the certificate of qualification.]

32 [8-455.

33 (a) The Commissioner may deny or refuse to renew a certificate of
34 qualification if the applicant or holder of the certificate of qualification:

1 (1) in the judgment of the Commissioner, is not trustworthy and
2 competent to act as a fraternal benefit agent;

3 (2) has failed to comply with any prerequisites for the issuance or
4 renewal of the certificate of qualification; or

5 (3) has violated subsection (b) of this section.

6 (b) Subject to the hearing provisions of Title 2 of this article, the
7 Commissioner may suspend or revoke a certificate of qualification if the holder of the
8 certificate of qualification:

9 (1) has willfully violated this article or another law of the State that
10 relates to insurance;

11 (2) has intentionally misrepresented or concealed a material fact in an
12 application for a certificate of qualification;

13 (3) has obtained or attempted to obtain a certificate of qualification by
14 misrepresentation, concealment, or other fraud;

15 (4) has misappropriated, converted, or unlawfully withheld money
16 belonging to an insurer, agent, broker, beneficiary, or insured;

17 (5) has willfully and materially misrepresented the provisions of a
18 policy;

19 (6) has committed fraudulent or dishonest practices in the insurance
20 business;

21 (7) has participated, with or without the knowledge of an insurer, in
22 selling motor vehicle insurance without an actual intent to sell the insurance, as
23 evidenced by a persistent pattern of filing certificates of insurance together with or
24 closely followed by cancellation notices for the insurance;

25 (8) has been convicted by final judgment in any state or federal court of
26 a crime involving moral turpitude;

27 (9) has knowingly participated in writing or issuing substantial
28 overinsurance of property insurance risks;

29 (10) has failed an examination required under this subtitle;

30 (11) has willfully failed to comply with or has willfully violated a proper
31 order or regulation of the Commissioner;

32 (12) has failed or refused to pay over on demand money that belongs to an
33 insurer, fraternal benefit agent, broker, or other person entitled to the money;

34 (13) has otherwise shown a lack of trustworthiness or competence to act
35 as a fraternal benefit agent;

1 (14) is not or does not intend to carry on business in good faith and
2 represent to the public that the person is a fraternal benefit agent;

3 (15) has been denied a license or certificate in another state or has had a
4 license or certificate suspended or revoked in another state;

5 (16) has intentionally or willfully made or issued, or caused to be made or
6 issued, a statement that materially misrepresents or makes incomplete comparisons
7 about the terms or conditions of a policy or contract issued by an authorized insurer,
8 for the purpose of inducing or attempting to induce the owner of the policy or contract
9 to forfeit or surrender it or allow it to lapse in order to replace it with another; or

10 (17) has not held an appointment with a licensed society for more than 2
11 years after the date of renewal.

12 (c) Instead of suspending or revoking a certificate of qualification, the
13 Commissioner may impose on the holder, for a first or second offense, a penalty of not
14 less than \$25 but not exceeding \$500.]

15 [8-456.

16 (a) When a society doing business in the State makes or terminates an
17 appointment of a fraternal benefit agent, the society immediately shall:

18 (1) file with the Commissioner written notice of the appointment or
19 termination; and

20 (2) pay to the Commissioner the fee required by § 2-112 of this article.

21 (b) (1) The Commissioner may require a society that terminates an
22 appointment to file a statement of facts about the termination, including the date and
23 cause of the termination.

24 (2) Each statement relative to the termination and date and cause of the
25 termination is a privileged communication.]

26 [8-457.

27 Except for payment to a qualified fraternal benefit agent of the society or to a
28 person exempted under § 8-449(c) of this subtitle, a society doing business in the
29 State may not pay a commission or other compensation to a person for services in
30 obtaining in the State any new life insurance contract, health insurance contract, or
31 annuity contract.]

32 [8-458.

33 (a) Except as otherwise provided in Part V of this subtitle, a person may not
34 act as a fraternal benefit agent for a society unless the person has a certificate of
35 qualification issued under Part V of this subtitle.

36 (b) A person who violates this section is guilty of a misdemeanor.]

1 8-467.

2 (b) (1) This subsection applies to:

3 (iii) [a fraternal benefit agent] AN INSURANCE PRODUCER THAT
4 ACTS ON BEHALF OF A FRATERNAL BENEFIT SOCIETY; and

5 (iv) a person acting for [a fraternal benefit agent] AN INSURANCE
6 PRODUCER THAT ACTS ON BEHALF OF A FRATERNAL BENEFIT SOCIETY.

7 8-501.

8 (f) (1) "Reinsurance manager" means a person that:

9 (i) acts as an [agent] INSURANCE PRODUCER for a reinsurer; and

10 8-503.

11 (b) (1) Except as otherwise provided in paragraph (2) of this subsection,
12 before a person acts as a reinsurance manager or reinsurance broker in the State, the
13 person:

14 (i) in the case of a person that maintains an office in the State:

15 1. must obtain a license under this subtitle; or

16 2. must qualify as an [agent or broker] INSURANCE
17 PRODUCER under Title 10, Subtitle 1 of this article; or

18 (ii) in the case of a person that maintains an office in another state:

19 1. must obtain a license under this subtitle or under a law of
20 another state that is substantially similar to this subtitle; or

21 2. must qualify as an [agent or broker] INSURANCE
22 PRODUCER under Title 10, Subtitle 1 of this article or under a law of another state
23 that is substantially similar to Title 10, Subtitle 1 of this article.

24 (2) Before a person acts as a reinsurance manager for a reinsurer
25 domiciled in the State, the person must:

26 (ii) qualify as an [agent or broker] INSURANCE PRODUCER under
27 Title 10, Subtitle 1 of this article.

28 8-507.

29 (a) The Commissioner shall issue a license to each applicant that:

30 (2) pays the applicable fee for a [certificate of qualification] LICENSE for
31 an [agent or broker] INSURANCE PRODUCER under § 2-112 of this article.

1 8-509.

2 (c) Before a license expires, the licensee may renew it for an additional 2-year
3 term, if the licensee:

4 (3) pays to the Commissioner the applicable renewal fee for an [agent or
5 broker] INSURANCE PRODUCER under § 2-112 of this article.

6 8-511.

7 (a) Subject to the hearing provisions of §§ 2-210 through 2-214 of this article,
8 the Commissioner may deny, refuse to renew, suspend, or revoke a reinsurance
9 intermediary's license, or a reinsurance intermediary's [agent or broker's certificate
10 of qualification] INSURANCE PRODUCER LICENSE, if the reinsurance intermediary
11 has violated this subtitle or § 10-126 of this article.

12 8-518.

13 (a) A reinsurance manager:

14 (3) may not appoint or hire an [agent] INSURANCE PRODUCER to solicit,
15 procure, or negotiate reinsurance contracts for a reinsurer without ensuring that the
16 agent is qualified under Title 10, Subtitle 1 of this article;

17 9-209.

18 (b) If service is made in accordance with the Maryland Rules or other
19 applicable law, a court with subject matter jurisdiction over an action brought under
20 this subtitle also has jurisdiction over:

21 (1) a person, including an [agent, broker,] INSURANCE PRODUCER and
22 another person that has written policies, that has acted in any manner on behalf of an
23 insurer against which a delinquency proceeding has been commenced, in an action
24 resulting from or incidental to the person's relationship with the insurer;

25 (2) a reinsurer that at any time has entered into a contract of
26 reinsurance with an insurer against which a delinquency proceeding has been
27 commenced, or an [agent or broker] INSURANCE PRODUCER for the reinsurer, in an
28 action on or incidental to the reinsurance contract;

29 9-414.

30 (h) (1) An insurer or [agent] INSURANCE PRODUCER may not deliver a
31 policy or contract that at the time of delivery exceeds the limitations imposed by §
32 9-407(j)(3) of this subtitle, or that is not subject to coverage under § 9-403 of this
33 subtitle, unless the insurer or [agent] INSURANCE PRODUCER, before or at the time
34 of delivery, provides the policyholder or contract holder with a separate written notice
35 as provided in paragraph (2) of this subsection.

1 10-101.

2 (a) In this subtitle the following words have the meanings indicated.

3 (B) "BUSINESS ENTITY" MEANS A CORPORATION, PROFESSIONAL
4 ASSOCIATION, PARTNERSHIP, LIMITED LIABILITY COMPANY, LIMITED LIABILITY
5 PARTNERSHIP, OR OTHER LEGAL ENTITY.

6 [(b) "Certificate of qualification" means a certificate of qualification issued by
7 the Commissioner to act as an agent or broker.]

8 (C) "HOME STATE" MEANS ANY STATE IN WHICH AN INSURANCE PRODUCER:

9 (1) MAINTAINS THE INSURANCE PRODUCER'S PRINCIPAL PLACE OF
10 RESIDENCE OR PRINCIPAL PLACE OF BUSINESS; AND

11 (2) IS LICENSED TO ACT AS A RESIDENT INSURANCE PRODUCER.

12 (D) (1) "LICENSE" MEANS A DOCUMENT ISSUED BY THE COMMISSIONER TO
13 ACT AS AN INSURANCE PRODUCER FOR THE KIND OR SUBDIVISION OF INSURANCE
14 OR COMBINATION OF KINDS OR SUBDIVISIONS OF INSURANCE SPECIFIED IN THE
15 DOCUMENT.

16 (2) "LICENSE" INCLUDES A LIMITED LINES LICENSE.

17 (E) "LIMITED LINE CREDIT INSURANCE" INCLUDES:

18 (1) CREDIT LIFE INSURANCE;

19 (2) CREDIT HEALTH INSURANCE;

20 (3) CREDIT PROPERTY INSURANCE;

21 (4) CREDIT UNEMPLOYMENT INSURANCE;

22 (5) CREDIT INVOLUNTARY UNEMPLOYMENT BENEFIT INSURANCE;

23 (6) MORTGAGE LIFE INSURANCE;

24 (7) MORTGAGE GUARANTY INSURANCE;

25 (8) MORTGAGE DISABILITY INSURANCE;

26 (9) GUARANTEED AUTOMOBILE PROTECTION (GAP) INSURANCE; AND

27 (10) ANY OTHER FORM OF INSURANCE THAT:

28 (I) IS OFFERED IN CONNECTION WITH AN EXTENSION OF CREDIT;

29 (II) IS LIMITED TO PARTIALLY OR WHOLLY EXTINGUISHING THAT
30 CREDIT OBLIGATION; AND

1 (III) THE COMMISSIONER DETERMINES SHOULD BE DESIGNATED A
2 FORM OF LIMITED ~~LINES~~ LINE CREDIT INSURANCE.

3 (F) "LIMITED LINE CREDIT INSURANCE PRODUCER" MEANS A PERSON WHO
4 SELLS, SOLICITS OR NEGOTIATES ONE OR MORE FORMS OF LIMITED LINE CREDIT
5 INSURANCE COVERAGE TO INDIVIDUALS THROUGH A MASTER, CORPORATE, GROUP,
6 OR INDIVIDUAL POLICY.

7 (G) "LIMITED LINES INSURANCE" MEANS:

8 (1) LIMITED ~~LINES~~ LINE CREDIT INSURANCE;

9 (2) THE LINES OF INSURANCE DESCRIBED IN §§ 10-122 THROUGH 10-125
10 OF THIS SUBTITLE; ~~OR~~

11 (3) INSURANCE SOLD IN CONNECTION WITH, AND INCIDENTAL TO, THE
12 RENTAL OF A MOTOR VEHICLE UNDER SUBTITLE 6 OF THIS TITLE; OR

13 ~~(3)~~ (4) ANY OTHER LINE OF INSURANCE THAT THE COMMISSIONER
14 CONSIDERS NECESSARY TO RECOGNIZE FOR THE PURPOSE OF COMPLYING WITH §
15 10-119(D) OF THIS SUBTITLE.

16 (H) "LIMITED LINES INSURANCE PRODUCER" MEANS A PERSON AUTHORIZED
17 BY THE COMMISSIONER TO SELL, SOLICIT, OR NEGOTIATE LIMITED LINES
18 INSURANCE.

19 [(c)] (I) (1) "Title insurance [agent" or "title insurance broker] PRODUCER"
20 means a person that, for compensation, solicits, procures, or negotiates title insurance
21 contracts.

22 (2) "Title insurance [agent" or "title insurance broker] PRODUCER"
23 includes a person that provides escrow, closing, or settlement services that may result
24 in the issuance of a title insurance contract.

25 (3) "Title insurance [agent" or "title insurance broker] PRODUCER" does
26 not include:

27 (i) individuals employed and used by title insurance [agents or
28 title insurance brokers] PRODUCERS for the performance of clerical[, stenographic,]
29 and similar office duties;

30 (ii) a financial institution as defined in § 1-101(i) of the Financial
31 Institutions Article that does not solicit, procure, or negotiate title insurance
32 contracts for compensation; or

33 (iii) a title insurance insurer that is licensed under this article.

34 (J) "UNIFORM APPLICATION" MEANS THE CURRENT VERSION OF THE NAIC
35 UNIFORM APPLICATION FOR RESIDENT AND NONRESIDENT INSURANCE PRODUCER
36 LICENSING.

1 (K) "UNIFORM BUSINESS ENTITY APPLICATION" MEANS THE CURRENT
2 VERSION OF THE NAIC UNIFORM BUSINESS ENTITY APPLICATION FOR RESIDENT
3 AND NONRESIDENT BUSINESS ENTITIES.

4 10-102.

5 (a) This subtitle applies to [agents, brokers] INSURANCE PRODUCERS, all
6 kinds of insurance and annuities, and all types of insurers, including:

- 7 (1) nonprofit health service plans;
- 8 (2) dental plan organizations; [and]
- 9 (3) health maintenance organizations; AND
- 10 (4) FRATERNAL BENEFIT SOCIETIES.

11 (b) This subtitle does not apply to:

- 12 (1) reinsurance;
- 13 (2) [fraternal benefit societies, which are subject to Title 8, Subtitle 4 of
14 this article;

15 (3) EXCEPT AS PROVIDED IN §§ 10-116(C) AND 10-119 OF THIS SUBTITLE,
16 surplus lines transactions, which are subject to Title 3, Subtitle 3 of this article;

17 [(4)] (3) a person while employed by an insured to administer or help to
18 administer the insurance or risk management program of the person's employer, if
19 the person is not authorized to accept any compensation from an [agent, broker,]
20 INSURANCE PRODUCER or insurer; or

21 [(5)] (4) a licensed insurance adviser while employed under contract by
22 an insured and acting for the insured, if the insurance adviser is not authorized to
23 accept any compensation from an [agent, broker,] INSURANCE PRODUCER or insurer.

24 10-103.

25 (A) IN THIS SECTION, THE TERM "INSURER" DOES NOT INCLUDE AN
26 INSURER'S OFFICERS, DIRECTORS, EMPLOYEES, SUBSIDIARIES, OR AFFILIATES.

27 (B) THE LICENSING REQUIREMENTS OF THIS SECTION DO NOT APPLY TO:

- 28 (1) AN INSURER;
- 29 (2) AN OFFICER, DIRECTOR, OR EMPLOYEE OF AN INSURER OR OF AN
30 INSURANCE PRODUCER WHO DOES NOT RECEIVE ANY COMMISSION ON POLICIES
31 WRITTEN OR SOLD TO INSURE RISKS RESIDING, LOCATED OR TO BE PERFORMED IN
32 THE STATE IF:

1 (I) THE ACTIVITIES OF THE OFFICER, DIRECTOR, OR EMPLOYEE
2 ARE EXECUTIVE, ADMINISTRATIVE, MANAGERIAL, CLERICAL, OR A COMBINATION OF
3 THESE, AND ARE ONLY INDIRECTLY RELATED TO THE SALE, SOLICITATION, OR
4 NEGOTIATION OF INSURANCE;

5 (II) THE FUNCTION OF THE OFFICER, DIRECTOR, OR EMPLOYEE
6 RELATES TO UNDERWRITING, LOSS CONTROL, INSPECTION, OR THE PROCESSING,
7 ADJUSTING, INVESTIGATING, OR SETTLING OF A CLAIM ON A CONTRACT OF
8 INSURANCE; OR

9 (III) THE OFFICER, DIRECTOR, OR EMPLOYEE IS ACTING IN THE
10 CAPACITY OF A SPECIAL AGENT OR AGENCY SUPERVISOR ASSISTING INSURANCE
11 PRODUCERS WHERE THE INDIVIDUAL'S ACTIVITIES ARE LIMITED TO PROVIDING
12 TECHNICAL ADVICE AND ASSISTANCE TO LICENSED INSURANCE PRODUCERS AND
13 DO NOT INCLUDE THE SALE, SOLICITATION, OR NEGOTIATION OF INSURANCE;

14 (3) AN INDIVIDUAL WHO PERFORMS ADMINISTRATIVE SERVICES
15 RELATED TO MASS MARKETED PROPERTY AND CASUALTY INSURANCE, PROVIDED
16 THAT NO COMMISSION IS PAID TO THE INDIVIDUAL FOR THE SERVICES;

17 (4) AN EMPLOYER, ASSOCIATION, THE OFFICERS, DIRECTORS, AND
18 EMPLOYEES OF AN EMPLOYER OR ASSOCIATION, OR THE TRUSTEES OF AN
19 EMPLOYEE TRUST PLAN IF:

20 (I) THE EMPLOYER, ASSOCIATION, OFFICERS, DIRECTORS, AND
21 EMPLOYEES, OR TRUSTEES ARE ENGAGED IN THE ADMINISTRATION OR OPERATION
22 OF A PROGRAM OF EMPLOYEE BENEFITS FOR THE EMPLOYER'S OR ASSOCIATION'S
23 OWN EMPLOYEES OR THE EMPLOYEES OF ITS SUBSIDIARIES OR AFFILIATES;

24 (II) THE PROGRAM INVOLVES THE USE OF INSURANCE ISSUED BY
25 AN INSURER; AND

26 (III) THE EMPLOYER, ASSOCIATION, OFFICERS, DIRECTORS, AND
27 EMPLOYEES, OR TRUSTEES ARE NOT IN ANY MANNER COMPENSATED, DIRECTLY OR
28 INDIRECTLY, BY THE INSURER ISSUING THE CONTRACTS;

29 (5) AN EMPLOYEE OF AN INSURER OR ORGANIZATION EMPLOYED BY AN
30 INSURER WHO IS:

31 (I) ENGAGED IN THE INSPECTION, RATING, OR CLASSIFICATION
32 OF RISKS OR IN THE SUPERVISION OF THE TRAINING OF INSURANCE PRODUCERS;
33 AND

34 (II) NOT INDIVIDUALLY ENGAGED IN THE SALE, SOLICITATION, OR
35 NEGOTIATION OF INSURANCE;

36 (6) A PERSON WHOSE ACTIVITIES IN THE STATE ARE LIMITED TO
37 ADVERTISING WITHOUT THE INTENT TO SOLICIT INSURANCE IN THE STATE
38 THROUGH COMMUNICATIONS IN PRINTED PUBLICATIONS OR OTHER FORMS OF
39 ELECTRONIC MASS MEDIA IF:

1 (I) THE DISTRIBUTION OF THE PRINTED PUBLICATIONS OR OTHER
2 FORMS OF ELECTRONIC MASS MEDIA IS NOT LIMITED TO RESIDENTS OF THE STATE;
3 AND

4 (II) THE PERSON DOES NOT SELL, SOLICIT, OR NEGOTIATE
5 INSURANCE THAT WOULD INSURE RISKS RESIDING, LOCATED, OR TO BE PERFORMED
6 IN THE STATE;

7 (7) A PERSON WHO IS NOT A RESIDENT OF THE STATE WHO SELLS,
8 SOLICITS, OR NEGOTIATES A CONTRACT OF INSURANCE FOR COMMERCIAL
9 PROPERTY AND CASUALTY RISKS TO AN INSURED WITH RISKS LOCATED IN MORE
10 THAN ONE STATE INSURED UNDER THE CONTRACT IF:

11 (I) THE PERSON IS OTHERWISE LICENSED AS AN INSURANCE
12 PRODUCER TO SELL, SOLICIT, OR NEGOTIATE THAT INSURANCE IN THE STATE
13 WHERE THE INSURED MAINTAINS ITS PRINCIPAL PLACE OF BUSINESS; AND

14 (II) THE CONTRACT INSURES RISKS LOCATED IN THAT STATE; OR

15 (8) A SALARIED, FULL-TIME EMPLOYEE WHO COUNSELS OR ADVISES
16 THE EMPLOYEE'S EMPLOYER RELATIVE TO THE INSURANCE INTERESTS OF THE
17 EMPLOYER OR OF THE SUBSIDIARIES OR BUSINESS AFFILIATES OF THE EMPLOYER,
18 PROVIDED THAT THE EMPLOYEE DOES NOT SELL OR SOLICIT INSURANCE OR
19 RECEIVE A COMMISSION.

20 [(a)] (C) Except as otherwise provided in this article, before a person acts as
21 an [agent] INSURANCE PRODUCER in the State, the person must obtain:

22 (1) a [certificate of qualification] LICENSE in the kind or subdivision of
23 insurance for which the person intends to act as an [agent] INSURANCE PRODUCER;
24 and

25 (2) IF ACTING FOR AN INSURER, an appointment from [an] THE insurer.

26 [(b)] (D) (1) Except as otherwise provided in this subsection, an [agent]
27 INSURANCE PRODUCER may not SELL, solicit, [take application,] OR negotiate[,
28 procure, or make] any insurance ON BEHALF OF AN INSURER for which the [agent]
29 INSURANCE PRODUCER does not have an appointment.

30 (2) Without an appointment, an [agent] INSURANCE PRODUCER may:

31 (i) submit to an insurer an informal inquiry for any kind of life
32 insurance, health insurance, or annuity for which the [agent] INSURANCE
33 PRODUCER has a [certificate of qualification] LICENSE if the insurer has a certificate
34 of authority for the kind of insurance about which the inquiry is made; and

35 (ii) solicit an application for any kind of life insurance, health
36 insurance, or annuity for which the [agent] INSURANCE PRODUCER has a
37 [certificate of qualification] LICENSE if the insurer to which the application is

1 submitted has a certificate of authority for the kind of insurance requested in the
2 application.

3 [(c) Before a person acts as a broker in the State, the person must obtain a
4 certificate of qualification in the kind or subdivision of insurance for which the person
5 intends to act as a broker.]

6 [(d) (E) Before a [limited liability company, partnership, or corporation]
7 BUSINESS ENTITY may accept in its own name compensation for acting as an [agent
8 or broker] INSURANCE PRODUCER in the State, the [limited liability company,
9 partnership, or corporation] BUSINESS ENTITY must obtain:

10 (1) a [certificate of qualification] LICENSE in the kind or subdivision of
11 insurance for which the [limited liability company, partnership, or corporation]
12 BUSINESS ENTITY intends to act as an [agent or broker] INSURANCE PRODUCER; and

13 (2) an appointment for the kind or subdivision of insurance for which it
14 intends to act as [agent] AN INSURANCE PRODUCER ON BEHALF OF AN INSURER.

15 10-104.

16 (A) THIS SECTION APPLIES TO:

17 (1) A LICENSE TO ACT AS AN INSURANCE PRODUCER FOR INSURANCE
18 OTHER THAN LIFE INSURANCE, HEALTH INSURANCE, OR ANNUITIES;

19 (2) A LIMITED LINES LICENSE TO ACT AS AN INSURANCE PRODUCER
20 FOR LIMITED LINE CREDIT INSURANCE OTHER THAN CREDIT LIFE INSURANCE OR
21 CREDIT HEALTH INSURANCE; AND

22 (3) A LIMITED LINES LICENSE TO ACT AS AN INSURANCE PRODUCER
23 FOR A LINE OF INSURANCE DESCRIBED IN §§ 10-122 THROUGH 10-125 OF THIS
24 SUBTITLE.

25 [(a) (B) To qualify for a [certificate of qualification as an agent or broker for
26 insurance other than life insurance, health insurance, or annuities, or a restricted
27 certificate as provided in §§ 10-122, 10-123, 10-124, and 10-125 of this subtitle]
28 LICENSE TO WHICH THIS SECTION APPLIES, an individual applicant must meet the
29 requirements of this section.

30 [(b) (C) An applicant must be of good character and trustworthy BASED ON
31 THE STANDARDS OF § 10-126 OF THIS SUBTITLE.

32 (D) AN APPLICANT MUST BE AT LEAST 18 YEARS OF AGE.

33 (E) AN APPLICANT MAY NOT HAVE COMMITTED ANY ACT THAT THE
34 COMMISSIONER FINDS WOULD WARRANT DENIAL OF A LICENSE UNDER § 10-126 OF
35 THIS SUBTITLE.

36 [(c) (F) (1) Except as otherwise provided in this section:

1 [(1)] (I) so that the applicant is reasonably familiar with the kind or
2 subdivision of insurance for which the applicant wants to be [qualified] LICENSED,
3 the applicant must complete successfully a program of studies that has been
4 established or approved by the Commissioner;

5 [(2)] (II) during the 3 years immediately preceding the date of
6 application, the applicant must have been employed regularly for periods totaling at
7 least 1 year:

8 [(i)] 1. by the Administration as an employee or by an insurer[,
9 agent, or broker] OR INSURANCE PRODUCER; and

10 [(ii)] 2. in responsible insurance duties in connection with the
11 kind or subdivision of insurance for which the applicant wants to be [qualified]
12 LICENSED; or

13 [(3)] (III) during the 3 years immediately preceding the date of entering
14 or immediately after discharge from the armed forces of the United States, the
15 applicant must have been employed regularly for periods totaling at least 1 year:

16 [(i)] 1. by an insurer[, agent, or broker] OR INSURANCE
17 PRODUCER; and

18 [(ii)] 2. in connection with the kind or subdivision of insurance for
19 which the applicant wants to be [qualified] LICENSED.

20 (2) IN THE CASE OF AN APPLICANT FOR A LIMITED LINES LICENSE TO
21 ACT AS AN INSURANCE PRODUCER FOR LIMITED LINE CREDIT INSURANCE, THE
22 APPLICANT SHALL COMPLETE SUCCESSFULLY A PROGRAM OF INSTRUCTION THAT
23 IS:

24 (I) PROVIDED BY AN INSURER THAT SELLS, SOLICITS, OR
25 NEGOTIATES LIMITED LINE CREDIT INSURANCE; AND

26 (II) APPROVED BY THE COMMISSIONER.

27 [(d)] (G) Except as otherwise provided in this section, the applicant must pass
28 an examination given by the Commissioner under this subtitle.

29 [(e)] (H) The Commissioner may waive the requirements of subsections [(c)]
30 (F) and [(d)] (G) of this section for an applicant for a [certificate of qualification]
31 LICENSE for property insurance or casualty insurance if the applicant:

32 (1) (i) has been conferred the Chartered Property Casualty
33 Underwriter (C.P.C.U.) designation by The American Institute for Chartered Property
34 Casualty Underwriters; and

35 (ii) is a member in good standing of the Society of Chartered
36 Property and Casualty Underwriters;

1 (2) has been conferred the designation of Fellow of the Casualty
2 Actuarial Society; or

3 (3) has been conferred the designation of Certified Insurance Counselor
4 (CIC) by the Society of Certified Insurance Counselors.

5 (I) AN APPLICANT FOR A LIMITED LINES LICENSE TO ACT AS AN INSURANCE
6 PRODUCER FOR LIMITED LINE CREDIT INSURANCE NEED NOT MEET THE
7 EXAMINATION REQUIREMENTS OF SUBSECTION (G) OF THIS SECTION.

8 [(f)] (J) An applicant may [qualify] BE LICENSED as to any particular kind
9 or kinds of insurance [and may request a certificate of qualification to act as an agent
10 or broker or both].

11 10-105.

12 (a) To qualify for a [certificate of qualification] LICENSE as an [agent or
13 broker] INSURANCE PRODUCER for life insurance, health insurance, annuities,
14 nonprofit health service plans, dental plan organizations, [or] health maintenance
15 organizations, OR FRATERNAL BENEFIT SOCIETIES an individual applicant must
16 meet the requirements of this section.

17 (b) An applicant must be of good character and trustworthy BASED ON THE
18 STANDARDS OF § 10-126 OF THIS SUBTITLE.

19 (C) AN APPLICANT MUST BE AT LEAST 18 YEARS OF AGE.

20 (D) AN APPLICANT MAY NOT HAVE COMMITTED ANY ACT THAT THE
21 COMMISSIONER FINDS WOULD WARRANT DENIAL OF A LICENSE UNDER § 10-126 OF
22 THIS SUBTITLE.

23 [(c)] (E) (1) So that the applicant is reasonably familiar with the kind or
24 subdivision of insurance for which the applicant wants to be [qualified] LICENSED:

25 [(1)] (I) the applicant must complete successfully a program of studies
26 that has been established or approved by the Commissioner;

27 [(2)] (II) during the 3 years immediately preceding the date of
28 application, the applicant must have been employed regularly for periods totaling at
29 least 1 year:

30 [(i)] 1. by the Administration as an employee or by an insurer[,
31 agent, or broker] OR INSURANCE PRODUCER; and

32 [(ii)] 2. in responsible insurance duties in connection with the
33 kind or subdivision of insurance for which the applicant wants to be [qualified]
34 LICENSED; or

1 [(3)] (III) during the 3 years immediately preceding the date of entering
2 or immediately after discharge from the armed forces of the United States, the
3 applicant must have been employed regularly for periods totaling at least 1 year:

4 [(i)] 1. by an insurer[, agency, or broker] OR INSURANCE
5 PRODUCER; and

6 [(ii)] 2. in connection with the kind or subdivision of insurance for
7 which the applicant wants to be [qualified] LICENSED.

8 (2) IN THE CASE OF AN APPLICANT FOR A LIMITED LINES LICENSE TO
9 ACT AS AN INSURANCE PRODUCER FOR CREDIT LIFE INSURANCE OR CREDIT HEALTH
10 INSURANCE, THE APPLICANT SHALL SUCCESSFULLY COMPLETE A PROGRAM OF
11 INSTRUCTION THAT IS:

12 (I) PROVIDED BY AN INSURER THAT SELLS, SOLICITS, OR
13 NEGOTIATES LIMITED LINE CREDIT INSURANCE; AND

14 (II) APPROVED BY THE COMMISSIONER.

15 [(d)] (F) Before taking a written examination, an applicant shall:

16 (1) demonstrate to the Commissioner that the applicant has completed
17 the requirements set out by the Commissioner, including the requirements of
18 subsection [(c)] (E) of this section; and

19 (2) pay the application fee required under [§ 2-112(a)(4)(iii)]
20 § 2-112(A)(8)(IV) of this article.

21 [(e)] (G) (1) Except as otherwise provided in this subsection, the applicant
22 must pass an examination given by the Commissioner under this subtitle.

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

24 (i) an applicant for a [certificate of qualification] LICENSE to act
25 as an [agent] INSURANCE PRODUCER only for selling credit life insurance or credit
26 accident and health insurance or both to a borrower of money or buyer of goods in
27 connection with a loan or credit transaction;

28 (ii) an applicant for a [certificate of qualification] LICENSE to act
29 as an [agent] INSURANCE PRODUCER for a dental plan organization if the applicant
30 for compensation solicited, procured, or negotiated contracts for dental plan
31 organizations continuously from July 1, 1988, to June 30, 1989;

32 (iii) an applicant for a [certificate of qualification] LICENSE to act
33 as an [agent] INSURANCE PRODUCER for a nonprofit health service plan if the
34 applicant for compensation solicited, procured, or negotiated contracts for nonprofit
35 health service plans continuously from July 1, 1988, to June 30, 1989; or

1 (iv) an applicant for a [certificate of qualification] LICENSE to act
 2 as an [agent] INSURANCE PRODUCER for a health maintenance organization if the
 3 applicant for compensation solicited, procured, or negotiated contracts for health
 4 maintenance organizations continuously from July 1, 1988, to June 30, 1989.

5 (3) The Commissioner may waive the examination requirement of this
 6 section FOR LIFE INSURANCE for an applicant who:

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

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

11 (ii) has been conferred the designation of Fellow of the Society of
 12 Actuaries.

13 [(f)] (H) An applicant may [qualify] BE LICENSED as to any particular kind
 14 or kinds of insurance [and may request a certificate of qualification to act as an agent
 15 or broker or both].

16 10-106.

17 (A) THIS SECTION DOES NOT APPLY TO A MOTOR VEHICLE RENTAL COMPANY
 18 THAT APPLIES FOR A LIMITED LINES LICENSE TO SELL INSURANCE IN CONNECTION
 19 WITH, AND INCIDENTAL TO, THE RENTAL OF A MOTOR VEHICLE UNDER SUBTITLE 6
 20 OF THIS TITLE.

21 ~~(A)~~ (B) To qualify for a [certificate of qualification] LICENSE as an [agent or
 22 broker] INSURANCE PRODUCER, a [partnership or corporation] BUSINESS ENTITY
 23 must [be primarily engaged in the insurance business] DESIGNATE A LICENSED
 24 INSURANCE PRODUCER TO ACT AS THE BUSINESS ENTITY'S PRINCIPAL CONTACT
 25 WITH THE ADMINISTRATION.

26 ~~(B)~~ (C) THE DESIGNATED INSURANCE PRODUCER SHALL:

27 (1) PROVIDE TO THE ADMINISTRATION AT THE TIME OF DESIGNATION
 28 THE INSURANCE PRODUCER'S NAME, BUSINESS ADDRESS, BUSINESS TELEPHONE
 29 NUMBER, BUSINESS FACSIMILE NUMBER, AND BUSINESS ELECTRONIC MAIL
 30 ADDRESS;

31 (2) NOTIFY THE INSURANCE ADMINISTRATION IN WRITING OF ANY
 32 CHANGE IN THE INFORMATION REQUIRED BY ITEM (1) OF THIS SUBSECTION WITHIN
 33 10 DAYS AFTER THE CHANGE;

34 (3) COMPILE AND MAINTAIN, TO THE EXTENT REASONABLY POSSIBLE, A
 35 LIST OF LOCATIONS WHERE RECORDS OF THE BUSINESS ENTITY ARE MAINTAINED;
 36 AND

1 (4) ON REQUEST, COOPERATE WITH ANY INVESTIGATION CONDUCTED
2 BY THE ADMINISTRATION UNLESS THE COOPERATION IS SUBJECT TO A LEGAL
3 PRIVILEGE ASSERTED BY THE DESIGNATED INSURANCE PRODUCER OR THE
4 BUSINESS ENTITY.

5 10-108.

6 (a) An individual applicant who otherwise qualifies for a [certificate of
7 qualification] LICENSE for insurance other than life insurance, health insurance, or
8 annuities is entitled to be examined as provided in this section.

9 (b) To determine the competence of an individual applicant as to the kind or
10 subdivision of insurance for which the applicant wants to become [qualified]
11 LICENSED, the applicant shall pass a written examination that relates to that kind or
12 subdivision of insurance.

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

14 (1) (i) demonstrate to the Commissioner that the applicant has
15 completed the educational requirements set out by the Commissioner; or

16 (ii) submit to the Commissioner at the time of the examination an
17 affidavit from the employer of the applicant stating facts that show compliance with
18 the applicable requirements of [§ 10-104(c)(2) or (3)] § 10-104(E)(2) OR (3) of this
19 subtitle, if the applicant qualifies by meeting the experience requirements of [§
20 10-104(c)(2) or (3)] § 10-104(E)(2) OR (3) of this subtitle; and

21 (2) pay the application fee required under [§ 2-112(a)(4)(iii)] §
22 2-112(A)(8)(IV) of this article.

23 10-109.

24 (a) An individual applicant who otherwise qualifies for a [certificate of
25 qualification] LICENSE for life insurance, health insurance, annuities, nonprofit
26 health service plans, dental plan organizations, or health maintenance organizations
27 is entitled to be examined as provided in this section.

28 (d) The Commissioner shall adopt reasonable regulations that specify:

29 (1) the scope, type, conduct, and grading of the written examinations;

30 (2) the frequency, times, and places in the State where the written
31 examinations will be held; and

32 (3) subject to [§ 10-105(c)] § 10-105(E) of this article, the educational
33 requirements for an individual applicant to be eligible to take a written examination.

34 10-110.

35 (a) The Commissioner shall appoint an advisory board for life and health
36 insurance and an advisory board for property and casualty insurance to assist the

1 Commissioner in reviewing continuing education courses, examinations, and other
2 matters relating to the education and qualification of [agents and brokers]
3 INSURANCE PRODUCERS.

4 (b) (1) The Life and Health Insurance Advisory Board consists of at least
5 eight members appointed by the Commissioner.

6 (2) Each member of the Advisory Board shall be experienced in the
7 business of life insurance or health insurance.

8 (3) The Advisory Board:

9 (i) may include [agents, brokers,] INSURANCE PRODUCERS and
10 employees or officers of insurers; and

11 (ii) shall include at least two members who are [agents or brokers]
12 INSURANCE PRODUCERS with valid [certificates of qualification] LICENSES issued in
13 the State in that kind of insurance.

14 (c) (1) The Property and Casualty Insurance Advisory Board consists of at
15 least eight members appointed by the Commissioner.

16 (2) Each member of the Advisory Board shall be experienced in the
17 business of property insurance or casualty insurance.

18 (3) The Advisory Board:

19 (i) may include [agents, brokers,] INSURANCE PRODUCERS and
20 employees or officers of insurers; and

21 (ii) shall include at least two members who are [agents or brokers]
22 INSURANCE PRODUCERS with valid [certificates of qualification] LICENSES issued in
23 the State in that kind of insurance.

24 [10-111.

25 (a) A person who has a valid certificate of qualification as a broker for the kind
26 or subdivision of insurance for which the person intends to act as an agent may obtain
27 a certificate of qualification to act as an agent for that kind or subdivision of
28 insurance if the person pays to the Commissioner the applicable fee for an initial
29 agent certificate of qualification as required by § 2-112 of this article.

30 (b) A person who has a valid certificate of qualification as an agent for the
31 kind or subdivision of insurance for which the person intends to act as a broker may
32 obtain a certificate of qualification to act as a broker for that kind or subdivision of
33 insurance if the person:

34 (1) pays to the Commissioner the applicable fee for an initial broker
35 certificate of qualification as required by § 2-112 of this article; and

1 (2) files with the Commissioner a bond as provided in § 10-112 of this
2 subtitle.]

3 [10-112.] 10-111.

4 (a) A person who applies for a [certificate of qualification as an agent or
5 broker] LICENSE AS A RESIDENT INSURANCE PRODUCER shall:

6 (1) [file the appropriate application on the form and in the manner that
7 the Commissioner provides] IN THE CASE OF AN APPLICANT WHO IS AN INDIVIDUAL,
8 SUBMIT TO THE COMMISSIONER A UNIFORM APPLICATION AND DECLARE UNDER
9 PENALTY OF REFUSAL, SUSPENSION, OR REVOCATION OF THE LICENSE THAT THE
10 STATEMENTS MADE IN THE UNIFORM APPLICATION ARE TRUE, CORRECT, AND
11 COMPLETE TO THE BEST OF THE INDIVIDUAL'S KNOWLEDGE AND BELIEF;

12 (2) IN THE CASE OF AN APPLICANT THAT IS A BUSINESS ENTITY, SUBMIT
13 TO THE COMMISSIONER A UNIFORM BUSINESS ENTITY APPLICATION;

14 [(2)] (3) pay the applicable fee required by § 2-112 of this article for [an
15 agent certificate of qualification or a broker certificate of qualification] A LICENSE;

16 [(3)] (4) file on the form and in the manner that the Commissioner
17 provides:

18 (i) any [agency or] trade name to be used by the applicant;

19 (ii) the business address of the applicant; and

20 (iii) the name and residence address of each individual who holds a
21 [certificate of qualification] LICENSE and does business under the [agency or] trade
22 name; and

23 [(4)] (5) submit to the Commissioner any additional information or
24 documentation that the Commissioner requires, including any information or
25 documentation to determine the professional competence, good character, and
26 trustworthiness of the applicant.

27 (b) An applicant who has experience in the armed forces of the United States
28 and qualifies under [§ 10-104(c)(3)] § 10-104(E)(3) of this subtitle must file an
29 application within 1 year after the date of discharge from the armed forces.

30 [(c)] (1) An applicant for a certificate of qualification as a broker shall file
31 with the Commissioner a bond that:

32 (i) runs to the State;

33 (ii) is in the penal sum of \$10,000;

34 (iii) is executed by an authorized surety insurer; and

1 (iv) is conditioned that the applicant will account for and pay over to
 2 the person entitled to it all money belonging to the person that the applicant gets as
 3 a broker under the contract between the parties.

4 (2) The bond shall remain in force until the surety insurer is released
 5 from liability by the Commissioner or until the bond is canceled by the surety insurer.

6 (3) The total liability of the surety insurer under the bond may not
 7 exceed the penal sum of the bond.

8 (4) (i) A surety insurer may cancel the bond after filing written notice
 9 with the Commissioner at least 30 days before canceling the bond.

10 (ii) A cancellation under this paragraph does not affect any liability
 11 that accrued before the cancellation.]

12 [(d)] (C) (1) THIS SUBSECTION DOES NOT APPLY TO A MOTOR VEHICLE
 13 RENTAL COMPANY THAT APPLIES FOR A LIMITED LINES LICENSE TO SELL
 14 INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, THE RENTAL OF A MOTOR
 15 VEHICLE UNDER SUBTITLE 6 OF THIS TITLE.

16 (2) In addition to any other information required on the application, an
 17 applicant that is a [limited liability company, partnership, or corporation] BUSINESS
 18 ENTITY must:

19 (+) (I) IDENTIFY THE LICENSED INSURANCE PRODUCER WHO IS
 20 DESIGNATED TO ACT AS THE BUSINESS ENTITY'S PRINCIPAL CONTACT WITH THE
 21 ADMINISTRATION; AND

22 (±) (II) provide the name and address of each [agent or broker]
 23 LICENSED PRODUCER employed by the [limited liability company, partnership, or
 24 corporation] BUSINESS ENTITY, each individual who has direct control over its fiscal
 25 management, and each owner, member, or manager of the [limited liability company,
 26 partnership, or corporation] BUSINESS ENTITY and each director of [the] A
 27 BUSINESS ENTITY THAT IS A corporation.

28 [10-113.] 10-112.

29 (a) (1) The Commissioner shall issue a [certificate of qualification]
 30 LICENSE in a kind or subdivision of insurance or a combination of kinds or
 31 subdivisions of insurance to each applicant who meets the requirements of this
 32 subtitle.

33 (2) AN APPLICANT MAY QUALIFY FOR A LICENSE IN ONE OR MORE OF
 34 THE FOLLOWING KINDS OF INSURANCE:

35 (I) LIFE INSURANCE;

36 (II) ACCIDENT AND HEALTH OR SICKNESS INSURANCE;

- 1 (III) PROPERTY INSURANCE;
2 (IV) CASUALTY INSURANCE;
3 (V) VARIABLE LIFE AND VARIABLE ANNUITY PRODUCTS;
4 (VI) PERSONAL LINES OF PROPERTY AND CASUALTY INSURANCE;
5 (VII) LIMITED LINE CREDIT INSURANCE; AND
6 (VIII) ANY OTHER KIND OR SUBDIVISION OF INSURANCE PERMITTED
7 UNDER STATE LAW OR REGULATIONS.

8 (B) A LICENSE SHALL CONTAIN:

- 9 (1) THE LICENSEE'S NAME, ADDRESS, AND PERSONAL IDENTIFICATION
10 NUMBER;
11 (2) THE DATE OF ISSUANCE;
12 (3) THE KIND OR SUBDIVISION OF INSURANCE OR COMBINATION OF
13 KINDS OR SUBDIVISIONS OF INSURANCE FOR WHICH THE LICENSEE IS AUTHORIZED
14 TO ACT AS AN INSURANCE PRODUCER;
15 (4) THE EXPIRATION DATE; AND
16 (5) ANY OTHER INFORMATION THAT THE COMMISSIONER CONSIDERS
17 NECESSARY.

18 [(b)] (C) (1) To help the Department of Assessments and Taxation in
19 identifying new businesses in the State, by August 31 of each year the Commissioner
20 shall provide to the Department of Assessments and Taxation a list of [agents and
21 brokers] INSURANCE PRODUCERS that were issued [certificates of qualification]
22 LICENSES during the previous fiscal year.

23 (2) The list shall include:

24 (i) the name and mailing address of each person issued a
25 [certificate of qualification] LICENSE; and

26 (ii) the federal tax identification number of each person or, if the
27 person does not have a federal tax identification number, the Social Security number
28 of the person.

29 (3) The Commissioner shall provide the list free of charge.

30 10-113.

31 (A) A LICENSE AUTHORIZES THE HOLDER OF THE LICENSE TO ACT AS AN
32 INSURANCE PRODUCER FOR THE KIND OR SUBDIVISION OF INSURANCE OR

1 COMBINATION OF KINDS OR SUBDIVISIONS OF INSURANCE SPECIFIED IN THE
2 LICENSE.

3 (B) A LICENSE DOES NOT CREATE ANY ACTUAL, APPARENT, OR INHERENT
4 AUTHORITY IN THE HOLDER TO REPRESENT OR COMMIT AN INSURER.

5 10-114.

6 [Agents or brokers] INSURANCE PRODUCERS may conduct insurance business
7 as a [limited liability company, partnership, or corporation] BUSINESS ENTITY if each
8 individual who solicits, negotiates, or accepts insurance business from the public
9 holds a [certificate of qualification] LICENSE in the kind or subdivision of insurance
10 for which the individual acts as [agent or broker] AN INSURANCE PRODUCER and, if
11 applicable, an appointment from an insurer.

12 10-115.

13 (a) (1) [Certificates of qualification] LICENSES expire [at the end of every
14 other June 30] EVERY OTHER YEAR ON THE ANNIVERSARY OF THE DATE OF
15 ISSUANCE OF THE LICENSE unless renewed as provided in this section.

16 (2) If a [certificate of qualification] LICENSE expires under paragraph
17 (1) of this subsection, the appointments held by the [agent] INSURANCE PRODUCER
18 shall be terminated as of the day of the expiration of the [certificate of qualification]
19 LICENSE.

20 (b) At least 1 month before a [certificate of qualification] LICENSE expires,
21 the Commissioner shall mail to the holder of the [certificate of qualification]
22 LICENSE, at the last known address of the holder:

23 (1) a renewal application form; and

24 (2) a notice that states:

25 (i) the date by which the Commissioner must receive the renewal
26 application for the renewal to be issued and mailed before the [certificate of
27 qualification] LICENSE expires; and

28 (ii) the amount of the renewal fee.

29 (c) Before a [certificate of qualification] LICENSE expires, the holder of the
30 [certificate of qualification] LICENSE may renew it for an additional 2-year term, if
31 the holder:

32 (1) otherwise is entitled to a [certificate of qualification] LICENSE;

33 (2) files with the Commissioner a renewal application:

34 (I) on the form that the Commissioner provides; OR

1 (II) IN AN ELECTRONIC FORMAT THAT THE COMMISSIONER
2 APPROVES;

3 (3) completes the continuing education requirements established under §
4 10-116 of this subtitle [by the June 30 on which the certificate of qualification
5 expires]; and

6 (4) pays to the Commissioner the renewal fee required by § 2-112 of this
7 article.

8 (d) (1) [An] IF MAILED, AN application for renewal of a [certificate of
9 qualification] LICENSE shall be considered made in a timely manner if it is
10 postmarked on or before [June 30 of the year of renewal] THE EXPIRATION DATE OF
11 THE LICENSE.

12 (2) IF SUBMITTED ELECTRONICALLY, AN APPLICATION FOR RENEWAL
13 SHALL BE CONSIDERED MADE IN A TIMELY MANNER IF, ON OR BEFORE THE
14 EXPIRATION DATE OF THE LICENSE, THE APPLICATION:

15 (I) IS ADDRESSED PROPERLY OR OTHERWISE DIRECTED
16 PROPERLY TO AN INFORMATION PROCESSING SYSTEM THAT THE ADMINISTRATION
17 HAS DESIGNATED OR USES FOR THE PURPOSE OF RECEIVING ELECTRONIC
18 APPLICATIONS AND FROM WHICH THE ADMINISTRATION IS ABLE TO RETRIEVE THE
19 APPLICATION;

20 (II) IS IN A FORM CAPABLE OF BEING PROCESSED BY THAT SYSTEM;
21 AND

22 (III) ENTERS AN INFORMATION PROCESSING SYSTEM OUTSIDE THE
23 CONTROL OF THE SENDER OR OF A PERSON THAT SENT THE ELECTRONIC
24 APPLICATION ON BEHALF OF THE SENDER OR ENTERS A REGION OF THE
25 INFORMATION PROCESSING SYSTEM DESIGNATED OR USED BY THE
26 ADMINISTRATION THAT IS UNDER THE CONTROL OF THE ADMINISTRATION OR AN
27 AGENT OF THE ADMINISTRATION.

28 (e) (1) The Commissioner shall renew the [certificate of qualification]
29 LICENSE of each holder who meets the requirements of this section.

30 (2) If the holder of a [certificate of qualification] LICENSE [completes
31 the continuing education requirements established under § 10-116 of this subtitle
32 and pays the applicable renewal fee] COMPLIES WITH SUBSECTIONS (B) AND (C) OF
33 THIS SECTION before the [certificate of qualification] LICENSE expires, the
34 [certificate of qualification] LICENSE remains in effect until the DECISION OF THE
35 Commissioner [renews the certificate of qualification] REGARDING THE
36 APPLICATION FOR RENEWAL IS FINAL.

37 [(f) (1) The Commissioner may not renew the certificate of qualification of
38 an agent if, for 2 years before the date of renewal, the agent has not had any
39 appointments from insurers doing business in the State.

1 (2) If the certificate of qualification of an agent is not renewed under
2 paragraph (1) of this subsection, the Commissioner may require the individual to pass
3 an examination to determine the competency of the individual.]

4 [(g)] (F) The Commissioner may adopt regulations to:

5 (1) carry out this section; and

6 (2) develop a staggered system of renewals for [certificates of
7 qualification] LICENSES of [agents and brokers] INSURANCE PRODUCERS.

8 10-116.

9 (a) (1) Subject to subsections (b) and (c) of this section, the Commissioner
10 shall require an [agent or broker] INSURANCE PRODUCER to receive continuing
11 education as a condition of renewing the [certificate of qualification] LICENSE of the
12 [agent or broker] INSURANCE PRODUCER.

13 (2) The Commissioner may not require an individual who holds [an
14 agent's certificate of qualification, a broker's certificate of qualification, or both] A
15 LICENSE to receive more than:

16 (i) 16 hours of continuing education per renewal period, if the
17 [agent or broker] INSURANCE PRODUCER has held a [certificate of qualification]
18 LICENSE for less than 25 consecutive years; and

19 (ii) 8 hours of continuing education per renewal period, if the
20 [agent or broker] INSURANCE PRODUCER has held a [certificate of qualification]
21 LICENSE for 25 or more consecutive years.

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

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

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

32 1. has held [an agent's certificate of qualification or a
33 broker's certificate of qualification] A LICENSE in the State; and

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

35 (4) (i) To increase the level of education of [agents and brokers]
36 INSURANCE PRODUCERS, an [agent or broker] INSURANCE PRODUCER shall obtain

1 continuing education in the kind or subdivision of insurance for which the [agent or
2 broker] INSURANCE PRODUCER has received a [certificate of qualification] LICENSE.

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

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

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

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

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

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

22 (3) INDIVIDUALS WHO HOLD ONLY A LIMITED LINES LICENSE TO ACT AS
23 AN INSURANCE PRODUCER FOR LIMITED LINE CREDIT INSURANCE; AND

24 [(3)] (4) [agents or brokers] INSURANCE PRODUCERS who hold only a
25 [restricted certificate of qualification] LIMITED LINES LICENSE in any type of
26 insurance designated by the Commissioner.

27 [(c) (1) Except as provided in paragraphs (2) and (3) of this subsection, a
28 nonresident certificate holder who is issued a certificate of qualification after
29 completing the uniform application form under § 10-119.1 of this subtitle is exempt
30 from the continuing education requirements of this section.

31 (2) A nonresident certificate holder whose state of residence does not
32 have a continuing education requirement shall fulfill the continuing education
33 requirements of this section.

34 (3) A nonresident certificate holder whose state of residence has a
35 continuing education requirement shall fulfill all the requirements of the state of
36 residence of the certificate holder.]

37 (C) A NONRESIDENT LICENSEE SHALL BE DEEMED TO HAVE MET THE
38 CONTINUING EDUCATION REQUIREMENTS OF THIS SECTION IF:

1 (1) THE NONRESIDENT LICENSEE SATISFIES THE CONTINUING
2 EDUCATION REQUIREMENTS OF THE HOME STATE OF THE NONRESIDENT LICENSEE;
3 AND

4 (2) THE HOME STATE OF THE NONRESIDENT LICENSEE ALLOWS AN
5 INSURANCE PRODUCER WHO IS A RESIDENT OF THIS STATE TO SATISFY THE
6 CONTINUING EDUCATION REQUIREMENTS OF THE HOME STATE ON THE SAME BASIS
7 BY MEETING THE CONTINUING EDUCATION REQUIREMENTS OF THIS STATE.

8 10-116.1.

9 (a) [On or before September 30 of the renewal year] FOR UP TO 1 YEAR AFTER
10 THE EXPIRATION DATE, a person whose [certificate of qualification] LICENSE has
11 expired may reinstate the expired [certificate of qualification] LICENSE by:

12 (1) filing with the Commissioner the appropriate reinstatement
13 application;

14 (2) paying to the Commissioner [the applicable reinstatement fee
15 required under subsection (b) of this section];

16 (I) THE APPLICABLE RENEWAL FEE UNDER § 2-112 OF THIS
17 ARTICLE; AND

18 (II) A REINSTATEMENT FEE OF \$100; AND

19 (3) submitting proof of completion of the continuing education
20 requirements in § 10-116 of this subtitle.

21 [(b) (1) The fee for a reinstatement under this section shall be:

22 (i) the amount charged for a full renewal period for the type of
23 certificate of qualification held by the person seeking the reinstatement; and

24 (ii) 1. \$25 for reinstatement during the period from July 1
25 through July 31;

26 2. \$50 for reinstatement during the period from August 1
27 through August 31; and

28 3. \$75 for reinstatement during the period from September 1
29 through September 30.

30 (2) The Commissioner may limit the reinstatement fee to the amount of
31 the renewal fee in cases where the reinstatement applicant did not make timely
32 renewal because of temporary incapacity, hospitalization, or other hardship.]

33 [(c) (1)] (B) A person whose [broker's certificate of qualification] LICENSE
34 has expired is prohibited from conducting any insurance business until the effective
35 date of reinstatement of the [certificate of qualification] LICENSE.

1 [(2) A person whose agent's certificate of qualification has expired is
2 prohibited from conducting any insurance business unless the person:

3 (i) has obtained a reinstatement of the certificate of qualification;
4 and

5 (ii) has obtained an appointment from at least one insurer.]

6 (C) (1) IF A PERSON APPLIES FOR REINSTATEMENT OF AN EXPIRED
7 LICENSE WITHIN 60 DAYS AFTER THE LICENSE EXPIRED, THE COMMISSIONER SHALL
8 REINSTATE THE LICENSE RETROACTIVELY, WITH THE REINSTATEMENT EFFECTIVE
9 ON THE DATE THAT THE PERSON'S LICENSE EXPIRED.

10 (2) IF A PERSON APPLIES FOR REINSTATEMENT OF AN EXPIRED
11 LICENSE MORE THAN 60 DAYS AFTER THE LICENSE EXPIRED, THE COMMISSIONER
12 SHALL REINSTATE THE PERSON'S LICENSE PROSPECTIVELY, WITH THE
13 REINSTATEMENT EFFECTIVE ON THE DATE THAT THE LICENSE IS REINSTATED.

14 (d) A person who does not comply with subsection (a) of this section on or
15 before [September 30 of the year of expiration] 1 YEAR AFTER THE EXPIRATION DATE
16 shall apply for a [certificate of qualification] LICENSE under [§ 10-112] § 10-111 of
17 this subtitle and meet the requirements specified by the Commissioner in regulation.

18 (e) The Commissioner may adopt regulations to carry out this section.

19 (F) THE COMMISSIONER MAY WAIVE THE REINSTATEMENT PROCEDURES OF
20 THIS SECTION FOR AN INSURANCE PRODUCER WHO IS UNABLE TO COMPLY WITH
21 THE RENEWAL AND REINSTATEMENT PROCEDURES DUE TO:

22 (I) MILITARY SERVICE; OR

23 (II) OTHER EXTENUATING CIRCUMSTANCES, INCLUDING A
24 LONG-TERM MEDICAL DISABILITY.

25 10-117.

26 (A) To change, add to, or delete from a [certificate of qualification] LICENSE,
27 the [agent or broker] INSURANCE PRODUCER shall[:

28 (1)] file with the Commissioner in the form that the Commissioner
29 requires the change or addition to or deletion from the [certificate of qualification]
30 LICENSE[; and

31 (2) pay to the Commissioner the fee required by § 2-112 of this article for
32 each change, addition, or deletion].

33 (B) (1) A LICENSEE SHALL INFORM THE COMMISSIONER BY ANY MEANS
34 ACCEPTABLE TO THE COMMISSIONER OF A CHANGE IN LEGAL NAME OR ADDRESS
35 WITHIN 30 DAYS OF THE CHANGE.

1 (2) IF A LICENSEE FAILS TO TIMELY INFORM THE COMMISSIONER OF A
2 CHANGE IN LEGAL NAME OR ADDRESS, THE LICENSEE IS IN VIOLATION OF §
3 10-126(A)(1) OF THE INSURANCE ARTICLE.

4 10-118.

5 (a) (1) When an insurer doing business in the State makes or terminates an
6 appointment, the insurer immediately shall file notice of the appointment or
7 termination and the reasons for the termination in the manner specified by [the
8 Commissioner] THIS SECTION.

9 (2) [Each notice of appointment and termination shall be accompanied
10 by the] THE applicable fee required by § 2-112 of this article SHALL BE:

11 (I) INCLUDED WITH THE NOTICE OF APPOINTMENT OR
12 TERMINATION; OR

13 (II) COLLECTED IN THE MANNER APPROVED BY THE
14 COMMISSIONER.

15 [(3) A disclosure to the Commissioner relative to the termination and
16 date and cause of the termination is a privileged communication and may not be used
17 as evidence in a court proceeding other than an appeal from an action of the
18 Commissioner.]

19 (3) IF THE APPOINTMENT OF AN INSURANCE PRODUCER IS
20 TERMINATED BECAUSE THE INSURANCE PRODUCER FAILED TO RENEW THE
21 INSURANCE PRODUCER'S LICENSE AND THE LICENSE SUBSEQUENTLY IS
22 REINSTATED UNDER § 10-116.1(C)(1) OF THIS SUBTITLE, AN INSURER MAY REAPPOINT
23 THE INSURANCE PRODUCER RETROACTIVELY, WITH THE REAPPOINTMENT
24 EFFECTIVE ON THE DATE THAT THE LICENSE EXPIRED.

25 (b) Within 30 days after an insurer receives an application for life insurance,
26 health insurance, or an annuity from an [agent] INSURANCE PRODUCER that does
27 not have an appointment from the insurer, the insurer shall:

28 (1) reject the application in accordance with § 27-501 of this article; or

29 (2) file with the Commissioner written notice of appointment under
30 subsection (a) of this section.

31 (C) (1) WHEN AN INSURER OR AUTHORIZED REPRESENTATIVE OF AN
32 INSURER TERMINATES THE APPOINTMENT, EMPLOYMENT, CONTRACT, OR OTHER
33 SIMILAR AUTHORITY OF AN INSURANCE PRODUCER, THE INSURER OR AUTHORIZED
34 REPRESENTATIVE SHALL NOTIFY THE COMMISSIONER OF THE TERMINATION:

35 (I) WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THE
36 TERMINATION; AND

37 (II) IN THE FORMAT REQUIRED BY THE COMMISSIONER.

1 (2) THE NOTIFICATION SHALL STATE IF:

2 (I) THE TERMINATION WAS FOR A REASON SET FORTH IN § 10-126
3 OF THIS SUBTITLE;

4 (II) THE INSURER HAS ACTUAL KNOWLEDGE THAT THE
5 INSURANCE PRODUCER WAS FOUND BY A COURT, GOVERNMENTAL UNIT, OR
6 SELF-REGULATORY ORGANIZATION AUTHORIZED BY LAW TO HAVE VIOLATED §
7 10-126 OF THIS SUBTITLE; OR

8 (III) THE TERMINATION WAS FOR A REASON NOT SET FORTH IN §
9 10-126 OF THIS SUBTITLE.

10 (3) ON WRITTEN REQUEST OF THE COMMISSIONER, THE INSURER SHALL
11 PROVIDE ADDITIONAL INFORMATION, DOCUMENTS, RECORDS, OR OTHER DATA
12 PERTAINING TO:

13 (I) THE TERMINATION; OR

14 (II) THE ACTIVITIES OF THE INSURANCE PRODUCER IF THE
15 INSURANCE PRODUCER WAS TERMINATED FOR CAUSE DUE TO A REASON SET FORTH
16 IN § 10-126 OF THIS SUBTITLE.

17 (D) AN INSURER OR AUTHORIZED REPRESENTATIVE OF AN INSURER
18 PROMPTLY SHALL NOTIFY THE COMMISSIONER, IN A FORMAT ACCEPTABLE TO THE
19 COMMISSIONER, OF ANY ADDITIONAL INFORMATION THAT:

20 (1) THE INSURER DISCOVERS ON FURTHER REVIEW OR INVESTIGATION;
21 AND

22 (2) WOULD HAVE BEEN REPORTABLE TO THE COMMISSIONER UNDER
23 SUBSECTION (C) OF THIS SECTION IF THE INSURER HAD THEN KNOWN OF ITS
24 EXISTENCE.

25 (E) (1) WITHIN 15 DAYS AFTER PROVIDING NOTICE TO THE COMMISSIONER
26 THAT IS REQUIRED BY SUBSECTION (A) OR (B) OF THIS SECTION, AN INSURER SHALL
27 MAIL A COPY OF THE NOTICE TO THE INSURANCE PRODUCER AT THE LAST KNOWN
28 ADDRESS OF THE INSURANCE PRODUCER.

29 (2) IF AN INSURANCE PRODUCER IS TERMINATED FOR CAUSE DUE TO
30 ANY REASON LISTED IN § 10-126 OF THIS SUBTITLE, THE INSURER SHALL SEND A
31 COPY OF THE NOTICE TO THE INSURANCE PRODUCER:

32 (I) AT THE LAST KNOWN ADDRESS OF THE INSURANCE PRODUCER;
33 AND

34 (II) BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, POSTAGE
35 PREPAID OR BY OVERNIGHT DELIVERY USING A NATIONALLY RECOGNIZED CARRIER.

1 (3) WITHIN 30 DAYS AFTER AN INSURANCE PRODUCER RECEIVES
2 ORIGINAL OR ADDITIONAL NOTICE, THE INSURANCE PRODUCER MAY FILE WITH THE
3 COMMISSIONER WRITTEN COMMENTS CONCERNING THE SUBSTANCE OF THE
4 NOTICE.

5 (4) IF AN INSURANCE PRODUCER FILES COMMENTS WITH THE
6 COMMISSIONER, THE INSURANCE PRODUCER SHALL, BY THE SAME MEANS,
7 SIMULTANEOUSLY SEND A COPY OF THE COMMENTS TO THE REPORTING INSURER.

8 (5) IF THE COMMISSIONER RECEIVES COMMENTS FROM AN INSURANCE
9 PRODUCER, THE COMMISSIONER SHALL:

10 (I) MAKE THE COMMENTS PART OF THE COMMISSIONER'S FILE ON
11 THE SUBJECT; AND

12 (II) INCLUDE A COPY OF THE COMMENTS WITH EVERY COPY OF A
13 REPORT ABOUT THE INSURANCE PRODUCER THAT IS DISTRIBUTED OR DISCLOSED
14 FOR ANY REASON PERMITTED BY SUBSECTION (G) OF THIS SECTION.

15 (F) (1) THIS SUBSECTION APPLIES TO:

16 (I) AN INSURER;

17 (II) AN AUTHORIZED REPRESENTATIVE OF AN INSURER;

18 (III) AN INSURANCE PRODUCER;

19 (IV) THE COMMISSIONER; AND

20 (V) AN ORGANIZATION OF WHICH THE COMMISSIONER IS A
21 MEMBER THAT COMPILES INFORMATION REQUIRED UNDER THIS SECTION AND
22 MAKES IT AVAILABLE TO OTHER INSURANCE COMMISSIONERS OR REGULATORY OR
23 LAW ENFORCEMENT AGENCIES.

24 (2) IN THE ABSENCE OF ACTUAL MALICE, A PERSON TO WHOM THIS
25 SUBSECTION APPLIES AND THE AGENTS AND EMPLOYEES OF THE PERSON ARE NOT
26 SUBJECT TO CIVIL LIABILITY OF ANY NATURE AS A RESULT OF:

27 (I) ANY STATEMENT OR INFORMATION REQUIRED BY OR
28 PROVIDED UNDER THIS SECTION; OR

29 (II) ANY INFORMATION RELATING TO ANY STATEMENT THAT MAY
30 BE REQUESTED IN WRITING BY THE COMMISSIONER FROM AN INSURER OR
31 INSURANCE PRODUCER.

32 (3) IF A PARTY BRINGS AN ACTION AGAINST A PERSON THAT MAY HAVE
33 IMMUNITY UNDER PARAGRAPH (2) OF THIS SUBSECTION FOR MAKING A STATEMENT
34 REQUIRED BY OR UNDER THIS SECTION OR PROVIDING ANY INFORMATION
35 RELATING TO ANY STATEMENT THAT MAY BE REQUESTED BY THE COMMISSIONER,
36 THE PARTY BRINGING THE ACTION SHALL PLEAD SPECIFICALLY IN ANY

1 ALLEGATION THAT PARAGRAPH (2) OF THIS SUBSECTION DOES NOT APPLY BECAUSE
2 THE PERSON MAKING THE STATEMENT OR PROVIDING THE INFORMATION DID SO
3 WITH ACTUAL MALICE.

4 (4) THIS SUBSECTION DOES NOT ABROGATE OR MODIFY ANY EXISTING
5 STATUTORY OR COMMON LAW PRIVILEGES OR IMMUNITIES.

6 (G) (1) THIS SUBSECTION APPLIES ONLY TO ANY DOCUMENT, MATERIAL, OR
7 OTHER INFORMATION IN THE CONTROL OR POSSESSION OF THE INSURANCE
8 ADMINISTRATION THAT IS:

9 (I) FURNISHED BY AN INSURER OR INSURANCE PRODUCER OR AN
10 EMPLOYEE OR AGENT ACTING ON BEHALF OF THE INSURER OR INSURANCE
11 PRODUCER UNDER THIS SECTION; OR

12 (II) OTHERWISE OBTAINED BY THE INSURANCE COMMISSIONER IN
13 AN INVESTIGATION UNDER THIS SECTION.

14 (2) ANY DOCUMENT, MATERIAL, OR OTHER INFORMATION THAT IS
15 SUBJECT TO THIS SUBSECTION IS:

16 (I) CONFIDENTIAL AND PRIVILEGED;

17 (II) NOT SUBJECT TO TITLE 10, SUBTITLE 6 OF THE STATE
18 GOVERNMENT ARTICLE;

19 (III) NOT SUBJECT TO SUBPOENA; AND

20 (IV) NOT SUBJECT TO DISCOVERY OR ADMISSIBLE IN EVIDENCE IN
21 ANY PRIVATE CIVIL ACTION.

22 (3) NOTWITHSTANDING PARAGRAPH (2) OF THIS SUBSECTION, THE
23 COMMISSIONER MAY USE ANY DOCUMENT, MATERIAL, OR OTHER INFORMATION
24 THAT IS SUBJECT TO THIS SECTION TO FURTHER ANY REGULATORY OR LEGAL
25 ACTION BROUGHT AS PART OF THE DUTIES OF THE COMMISSIONER.

26 (4) THE COMMISSIONER AND ANY PERSON WHO RECEIVED ANY
27 DOCUMENT, MATERIAL, OR OTHER INFORMATION TO WHICH THIS SUBSECTION
28 APPLIES WHILE ACTING UNDER THE AUTHORITY OF THE COMMISSIONER MAY NOT
29 BE ALLOWED OR REQUIRED TO TESTIFY IN ANY PRIVATE CIVIL ACTION CONCERNING
30 THE DOCUMENT, MATERIAL, OR INFORMATION.

31 (5) (I) PROVIDED THAT THE RECIPIENT AGREES TO MAINTAIN ANY
32 CONFIDENTIALITY AND PRIVILEGED STATUS, THE COMMISSIONER MAY SHARE A
33 DOCUMENT, MATERIAL, OR OTHER INFORMATION, INCLUDING A DOCUMENT,
34 MATERIAL, OR OTHER INFORMATION THAT IS CONFIDENTIAL AND PRIVILEGED
35 UNDER THIS SUBSECTION, WITH:

36 1. OTHER STATE, FEDERAL, OR INTERNATIONAL
37 REGULATORY AGENCIES;

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 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE COMMISSIONER
10 SHALL WAIVE ANY LICENSE APPLICATION REQUIREMENTS FOR AN APPLICANT WHO
11 IS NOT A RESIDENT OF THIS STATE IF:

12 (1) THE APPLICANT HAS A VALID LICENSE FROM THE HOME STATE OF
13 THE APPLICANT; AND

14 (2) THE HOME STATE OF THE APPLICANT AWARDS NONRESIDENT
15 LICENSES TO RESIDENTS OF THIS STATE ON THE SAME BASIS.

16 (b) (1) Subject to paragraph (2) of this subsection AND UNLESS DENIED A
17 LICENSE PURSUANT TO § 10-126 OF THIS SUBTITLE, a person that is not a resident of
18 this State may obtain a [certificate of qualification] NONRESIDENT LICENSE to act as
19 an [agent or broker] INSURANCE PRODUCER [on compliance with the applicable
20 provisions of this subtitle if the state or the province of Canada in which the person
21 resides grants the same privilege to a resident of this State] IF:

22 (I) THE PERSON CURRENTLY IS LICENSED AS A RESIDENT
23 INSURANCE PRODUCER AND IN GOOD STANDING IN THE PERSON'S HOME STATE;

24 (II) THE PERSON HAS SUBMITTED OR TRANSMITTED TO THE
25 COMMISSIONER THE APPLICATION FOR LICENSURE THAT THE PERSON SUBMITTED
26 TO THE PERSON'S HOME STATE OR A COMPLETED UNIFORM APPLICATION;

27 (III) THE PERSON HAS PAID THE APPLICABLE FEE PURSUANT TO §
28 2-112 OF ~~THE INSURANCE~~ THIS ARTICLE; AND

29 (IV) THE PERSON'S HOME STATE AWARDS NONRESIDENT
30 INSURANCE PRODUCER LICENSES TO RESIDENTS OF THIS STATE ON THE SAME
31 BASIS.

32 (2) [The person] AN INDIVIDUAL WHO APPLIES FOR AN INSURANCE
33 PRODUCER LICENSE IN THIS STATE WHO WAS PREVIOUSLY LICENSED FOR THE
34 SAME LINES OF AUTHORITY IN ANOTHER STATE need not comply with the education,
35 [and] experience, AND EXAMINATION requirements of [§§ 10-104(c) and 10-105(c)]
36 §§ 10-104, 10-105, AND 10-107 THROUGH 10-109 of this subtitle IF:

1 (I) THE PERSON CURRENTLY IS LICENSED AS AN INSURANCE
2 PRODUCER IN THE HOME STATE OF THE PERSON;

3 (II) THE APPLICATION IS RECEIVED BY THE COMMISSIONER
4 WITHIN 90 DAYS AFTER THE CANCELLATION OF THE APPLICANT'S PREVIOUS
5 LICENSE AND THE PRIOR STATE ISSUES A CERTIFICATION THAT, AT THE TIME OF
6 CANCELLATION, THE APPLICANT WAS IN GOOD STANDING IN THAT STATE; OR

7 (III) THE STATE'S PRODUCER DATABASE RECORDS, MAINTAINED BY
8 THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, ITS AFFILIATES OR
9 SUBSIDIARIES, INDICATE THAT THE PRODUCER IS OR WAS LICENSED IN GOOD
10 STANDING FOR THE LINE OF AUTHORITY REQUESTED.

11 (C) THE COMMISSIONER MAY VERIFY THE LICENSING STATUS OF A
12 NONRESIDENT INSURANCE PRODUCER THROUGH THE PRODUCER DATABASE
13 MAINTAINED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, ITS
14 AFFILIATES OR SUBSIDIARIES.

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

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

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

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

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

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

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

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

37 (D) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, A PERSON
38 LICENSED AS A LIMITED LINE CREDIT INSURANCE PRODUCER OR OTHER TYPE OF

1 LIMITED LINES INSURANCE PRODUCER IN THE PERSON'S HOME STATE IS ENTITLED
2 TO RECEIVE A NONRESIDENT LIMITED LINES INSURANCE PRODUCER LICENSE,
3 PURSUANT TO SUBSECTION (B) OF THIS SECTION, GRANTING THE SAME SCOPE OF
4 AUTHORITY AS GRANTED UNDER THE LICENSE ISSUED BY THE PERSON'S HOME
5 STATE.

6 (E) (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, A
7 PERSON LICENSED AS A SURPLUS LINES BROKER IN THE PERSON'S HOME STATE IS
8 ENTITLED TO RECEIVE A NONRESIDENT CERTIFICATE OF QUALIFICATION AS A
9 SURPLUS LINES BROKER UNDER SUBSECTION (B) OF THIS SECTION.

10 (2) EXCEPT FOR SUBSECTION (B) OF THIS SECTION, NOTHING IN THIS
11 SECTION SUPERSEDES ANY PROVISION OF TITLE 3, SUBTITLE 3 OF THIS ARTICLE.

12 (F) (1) A NONRESIDENT INSURANCE PRODUCER WHO MOVES FROM ONE
13 STATE TO ANOTHER STATE OR A RESIDENT PRODUCER WHO MOVES FROM THIS
14 STATE TO ANOTHER STATE SHALL:

15 (I) FILE WITH THE COMMISSIONER A CHANGE OF ADDRESS; AND

16 (II) PROVIDE TO THE COMMISSIONER CERTIFICATION FROM THE
17 NEW RESIDENT STATE WITHIN 30 DAYS AFTER THE CHANGE OF LEGAL RESIDENCE.

18 (2) THE COMMISSIONER MAY NOT CHARGE A FEE OR REQUIRE A
19 LICENSE APPLICATION FOLLOWING A CHANGE OF LEGAL RESIDENCE.

20 (G) (1) A PERSON LICENSED AS AN INSURANCE PRODUCER IN ANOTHER
21 STATE WHO MOVES TO THIS STATE SHALL APPLY TO BECOME LICENSED AS A
22 RESIDENT INSURANCE PRODUCER UNDER § 10-111 OF THIS SUBTITLE WITHIN 90
23 DAYS OF ESTABLISHING LEGAL RESIDENCE IN THIS STATE.

24 (2) IF THE PERSON APPLIES TO BECOME LICENSED AS A RESIDENT
25 INSURANCE PRODUCER WITHIN 90 DAYS OF ESTABLISHING LEGAL RESIDENCE IN
26 THE STATE, THE PERSON NEED NOT COMPLY WITH THE EDUCATION, EXPERIENCE,
27 AND EXAMINATION REQUIREMENTS OF §§ 10-104, 10-105, AND 10-107 THROUGH
28 10-109 OF THIS SUBTITLE TO OBTAIN A LICENSE FOR ANY LINE OF AUTHORITY THAT
29 THE PERSON PREVIOUSLY HELD IN THE PRIOR STATE, EXCEPT WHERE THE
30 COMMISSIONER DETERMINES OTHERWISE BY REGULATION.

31 [10-119.1.

32 (a) This section does not apply to a title insurance agent or title insurance
33 broker that applies to be a nonresident title insurance agent or nonresident title
34 insurance broker in the State.

35 (b) Notwithstanding any other provision of this subtitle, the Commissioner
36 may require the use of uniform application and renewal forms developed by the
37 National Association of Insurance Commissioners for use in licensing nonresident
38 agents and nonresident brokers for life insurance, health insurance, variable
39 life/annuity contracts, property insurance, and casualty insurance.

1 (c) Before requiring the use of uniform forms under subsection (b) of this
2 section, the Commissioner shall adopt regulations that specify:

- 3 (1) which applicants may use the forms;
- 4 (2) the contents of the application and renewal forms; and
- 5 (3) any documents that must accompany the forms.

6 (d) (1) An applicant that uses a uniform form under this section shall pay
7 the applicable fee required by § 2-112 of this article for an agent certificate of
8 qualification or a broker certificate of qualification.

9 (2) An applicant for a certificate of qualification as a broker shall meet
10 the bond requirements of § 10-112(c) of this subtitle.]

11 10-120.

12 (a) Without regard to the education, experience, or examination requirements
13 of this subtitle, the Commissioner may issue a temporary [certificate of qualification]
14 LICENSE to act as an [agent or broker] INSURANCE PRODUCER to an individual if the
15 individual:

16 (1) is otherwise qualified; and

17 (2) is:

18 (i) the surviving spouse, next of kin, personal representative, or
19 appointee of the personal representative, of a deceased [agent or broker] INSURANCE
20 PRODUCER;

21 (ii) the spouse, next of kin, employee, or legal guardian of a
22 mentally or physically disabled [agent or broker] INSURANCE PRODUCER; or

23 (iii) an employee of a firm, or an officer or employee of a corporation,
24 of a deceased or disabled [agent or broker] INSURANCE PRODUCER.

25 (b) (1) The Commissioner may issue a temporary [certificate of
26 qualification] LICENSE to act as an [agent] INSURANCE PRODUCER for property
27 insurance or casualty insurance or a subdivision of property insurance or casualty
28 insurance to an individual if the individual has been licensed in another state for at
29 least 1 year in the 3 years immediately preceding the date of application.

30 (2) The Commissioner may issue a temporary [certificate of
31 qualification] LICENSE to act as an [agent] INSURANCE PRODUCER for life insurance
32 or health insurance to an individual who intends to engage in business as an [agent
33 or broker] INSURANCE PRODUCER and to take the examination under § 10-109 of
34 this subtitle within 90 days after the temporary certificate of qualification is issued.

35 (c) Before a person acts as a temporary [agent] INSURANCE PRODUCER in the
36 State, the person must obtain:

1 (1) a temporary [certificate of qualification] LICENSE in the kind or
2 subdivision of insurance for which the person intends to act as an [agent]
3 INSURANCE PRODUCER; and

4 (2) IF APPLICABLE, an appointment from an insurer.

5 (d) An applicant for a temporary certificate of qualification shall:

6 (1) file with the Commissioner an application on the form that the
7 Commissioner provides; and

8 (2) pay to the Commissioner the applicable fee required by § 2-112 of
9 this article.

10 (e) Within 30 days after the date an application is received, the Commissioner
11 shall:

12 (1) issue a temporary [certificate of qualification] LICENSE to the
13 applicant; or

14 (2) refuse in writing to issue a temporary [certificate of qualification]
15 LICENSE, stating the reasons for the refusal.

16 (f) (1) A temporary [certificate of qualification] LICENSE issued under
17 subsection (a) of this section expires 15 months after its effective date.

18 (2) A temporary [certificate] LICENSE issued under subsection (b) of this
19 section expires not later than 90 days after its effective date.

20 10-121.

21 (a) A title insurance [agent or title insurance broker] PRODUCER may not
22 convert or misappropriate money received or held in escrow or trust while:

23 (1) acting as a title insurance [agent or title insurance broker]
24 PRODUCER; or

25 (2) providing any escrow, closing, or settlement services.

26 (b) (1) If an applicant for a [certificate of qualification] LICENSE is a
27 partnership, each partner must hold a [certificate of qualification] LICENSE to act as
28 a title insurance [agent or title insurance broker] PRODUCER and, if applicable, an
29 appointment with a title insurer.

30 (2) (i) If an applicant for a [certificate of qualification] LICENSE is a
31 corporation, each controlling owner and each officer must hold a [certificate of
32 qualification] LICENSE to act as a title insurance [agent or title insurance broker]
33 PRODUCER and, if applicable, an appointment with a title insurer.

34 (ii) For purposes of this subparagraph (i) of this paragraph, a
35 person is not considered a controlling owner of a corporation if the person:

- 1 1. is a stockholder of the corporation;
- 2 2. does not manage or have day-to-day control over the
3 operation of the corporation; and
- 4 3. is not an officer, director, or employee of the corporation
5 who in any other way renders services for the corporation for which the person is
6 compensated by the corporation.

7 (3) If an applicant for a [certificate of qualification] LICENSE is a
8 limited liability company, each individual who has direct control over its fiscal
9 management and each manager and officer must hold a [certificate of qualification]
10 LICENSE to act as a title insurance [agent or title insurance broker] PRODUCER and,
11 if applicable, an appointment with a title insurer.

12 (c) (1) When the application of a partnership for a [certificate of
13 qualification] LICENSE as a title insurance [agent or title insurance broker]
14 PRODUCER is submitted, the Commissioner shall investigate the character of each
15 partner of the partnership applicant.

16 (2) When the application of a corporation for a [certificate of
17 qualification] LICENSE as a title insurance [agent or title insurance broker]
18 PRODUCER is submitted, the Commissioner shall investigate the character of each
19 controlling owner and each officer and director of the corporate applicant.

20 (3) When the application of a limited liability company for a [certificate
21 of qualification] LICENSE is submitted, the Commissioner shall investigate the
22 character of each individual who has direct control over its fiscal management and
23 each member, manager, officer, and director of the limited liability company
24 applicant.

25 (d) (1) In addition to meeting any of the applicable requirements for a
26 [certificate of qualification] LICENSE to act as an [agent or broker] INSURANCE
27 PRODUCER under this subtitle, a sole proprietor, a limited liability company, a
28 partnership, or a corporate applicant for a [certificate of qualification] LICENSE as a
29 title insurance [agent or title insurance broker] PRODUCER shall file with the
30 Commissioner:

- 31 (i) a blanket fidelity bond covering appropriate employees; and
- 32 (ii) 1. a blanket surety bond; or
- 33 2. a letter of credit.

34 (2) Unless the Commissioner approves a lesser amount, each bond or
35 letter of credit shall be for \$100,000.

36 (3) The Commissioner may adopt regulations that specify when it is
37 appropriate for a bond or letter of credit to be less than \$100,000.

1 (4) Notwithstanding paragraph (2) of this subsection, the Commissioner
2 may waive the requirement for a bond or letter of credit if the Commissioner finds
3 that bonds are not generally available or reasonably affordable.

4 (5) The Commissioner shall make a specific finding that states the
5 reason for accepting a bond or letter of credit for less than \$100,000.

6 (e) (1) The surety bond or letter of credit shall be for the benefit of any
7 person that suffers a loss if the title insurance [agent or title insurance broker]
8 PRODUCER converts or misappropriates money received or held in escrow or trust
9 while:

10 (i) acting as a title insurance [agent or title insurance broker]
11 PRODUCER; or

12 (ii) providing any escrow, closing, or settlement services.

13 (2) The fidelity bond shall be for the benefit of the employer of the title
14 insurance [agent or title insurance broker] PRODUCER who suffers any loss as
15 described in paragraph (1) of this subsection.

16 (3) The total liability of the surety insurer under each bond or letter of
17 credit may not exceed \$100,000.

18 (f) The title insurance [agent or title insurance broker] PRODUCER shall file
19 the bond or letter of credit with the Commissioner:

20 (1) after the Commissioner notifies the title insurance [agent or title
21 insurance broker] PRODUCER of the approval of the application for a certificate of
22 qualification; and

23 (2) before the Commissioner issues the [certificate of qualification]
24 LICENSE.

25 (g) (1) Each bond or letter of credit shall remain in force until:

26 (i) the surety insurer is released from liability by the
27 Commissioner; or

28 (ii) the bond or letter of credit is canceled by the surety insurer.

29 (2) A surety insurer shall notify the title insurance [agent or title
30 insurance broker] PRODUCER and the Commissioner at least 30 days before canceling
31 a bond or letter of credit.

32 (3) If a surety insurer fails to notify the title insurance [agent or title
33 insurance broker] PRODUCER and the Commissioner as required by paragraph (2) of
34 this subsection, the bond or letter of credit remains in effect until the surety insurer
35 notifies the title insurance [agent or title insurance broker] PRODUCER and the
36 Commissioner.

1 (4) A cancellation under this subsection does not affect any liability that
2 occurred during the life of the bond or letter of credit and before the date of
3 cancellation.

4 (h) Before the Commissioner renews the [certificate of qualification] LICENSE
5 of a title insurance [agent or title insurance broker] PRODUCER, the title insurance
6 [agent or title insurance broker] PRODUCER shall submit satisfactory evidence of
7 compliance with this section.

8 (i) (1) If a title insurance [agent or title insurance broker] PRODUCER has
9 been charged with a violation of this section or this article that could result in
10 suspension or revocation of the [certificate of qualification] LICENSE of the title
11 insurance [agent or title insurance broker] PRODUCER, the Commissioner may seek
12 an immediate restraining order from a circuit court to prohibit the title insurance
13 [agent or title insurance broker] PRODUCER from providing title insurance, escrow,
14 closing, or settlement services.

15 (2) A restraining order issued by a court under this subsection is
16 effective until:

17 (i) the court lifts the restraining order; or

18 (ii) the charges are dismissed or adjudicated.

19 (j) (1) (i) Except as provided in subparagraph (ii) of this paragraph, no
20 later than December 31 of the year following the year covered by the financial
21 statement, for each title insurance [agent] PRODUCER and agency that has an
22 appointment with a title insurer, the title insurer shall have on file a statement of
23 financial condition of each title insurance [agent] PRODUCER and agency with an
24 appointment with the title insurer, as of the end of the previous calendar year, setting
25 forth an income statement of business done during the preceding year and a balance
26 sheet showing the condition of its affairs as of December 31st preceding certified by
27 the title insurance [agent] PRODUCER or agency as being a true and accurate
28 representation of the title insurance [agent's] PRODUCER'S or agency's financial
29 condition.

30 (ii) An individual who is an employee, officer, director, partner, or
31 member of a licensed title insurance agency shall be considered to have met the
32 requirements of subparagraph (i) of this paragraph if a statement of financial
33 condition of the agency with which the individual is associated is on file with the title
34 insurer as provided under this paragraph.

35 (2) (i) The title insurer shall, at least annually, conduct an on-site
36 review of the underwriting, claims, and escrow practices of each title insurance
37 [agent] PRODUCER appointed by the insurer as a principal agent as designated in the
38 title insurance agency contract between the insurer and the [agent] PRODUCER. The
39 on-site review shall include a review of the title insurance [agent's] PRODUCER'S or
40 agency's policy blank inventory and processing operations.

1 (ii) If the title insurance [agent] PRODUCER or agency does not
2 maintain separate bank or trust accounts for each title insurer it represents, the title
3 insurer shall verify that the funds held on its behalf are reasonably ascertainable
4 from the books of account and records of the title insurance [agent] PRODUCER or
5 agency.

6 (3) A written report setting forth the results of the on-site review shall
7 be prepared by the title insurer and is subject to financial examination under § 2-205
8 of this article.

9 (4) If, as a result of the examination, a title insurer has reasonable cause
10 to believe that a title insurance [agent] PRODUCER or agency has failed to remit
11 premiums or funds owed or that any other violation of this article has been
12 committed, the title insurer shall report in writing the suspected violation to the
13 Commissioner and submit a copy of the examination.

14 (5) The examination required under this section is in addition to any
15 examination conducted by the Commissioner to determine compliance with the
16 accounts maintained for the benefit of the Maryland Affordable Housing Trust under
17 § 22-103 of this article.

18 (k) (1) A title insurance [agent or title insurance broker] PRODUCER shall
19 notify the Commissioner, and any insurer with whom the title insurance [agent or
20 title insurance broker] PRODUCER holds an appointment, if an individual licensed
21 under this subtitle leaves the employment of or ends an association with the title
22 insurance [agent or title insurance broker] PRODUCER.

23 (2) The title insurance [agent or title insurance broker] PRODUCER
24 required to provide notice under this subsection shall notify the Commissioner within
25 5 working days after the day the individual leaves employment or ends the
26 association.

27 (3) The notice required under this subsection shall be in writing and by
28 certified mail.

29 (l) In addition to any requirements under Title 10, Subtitle 1 of this article,
30 title insurance [agents and title insurance brokers] PRODUCERS shall comply with
31 this section.

32 10-122.

33 (a) Without regard to the education, experience, or examination requirements
34 of this subtitle, the Commissioner may issue a [special restricted certificate of
35 qualification] LIMITED LINES LICENSE to an individual who sells transportation
36 tickets of a common carrier of persons and property.

37 (b) A [special restricted certificate of qualification] LIMITED LINES LICENSE
38 issued under this section authorizes the holder to act as an [agent] INSURANCE
39 PRODUCER only as to travel ticket policies of life insurance, accident insurance, or
40 baggage insurance on personal effects.

1 (c) The Commissioner may require and provide special forms requiring
2 information the Commissioner considers proper in connection with the application for
3 or renewal of [special restricted certificates of qualification] LIMITED LINES
4 LICENSES issued under this section.

5 10-123.

6 On application, the Commissioner shall issue to an individual qualified in
7 accordance with this subtitle a [certificate of qualification] LICENSE THAT IS limited
8 to the business of selling motor vehicle insurance coverages only, including bodily
9 injury liability, property damage liability, and automobile physical damage.

10 10-124.

11 (a) Without regard to the education, experience, or examination requirements
12 of this subtitle, the Commissioner may issue a [special restricted certificate of
13 qualification] LIMITED LINES LICENSE to an individual who is employed by a health
14 maintenance organization solely to solicit membership in the health maintenance
15 organization under a contract:

16 (1) between the health maintenance organization and the Department of
17 Health and Mental Hygiene; and

18 (2) in accordance with which the Department of Health and Mental
19 Hygiene obtains prepaid comprehensive health care services for recipients of medical
20 assistance under § 15-105 of the Health - General Article.

21 (b) The annual license fee is provided in § 2-112 of this article.

22 10-125.

23 (a) (1) In this section the following words have the meanings indicated.

24 (2) (i) "Law firm" means an association of attorneys who are admitted
25 to practice before the Court of Appeals of the State who:

26 1. are primarily engaged in the practice of law; and

27 2. solicit, procure, or negotiate title insurance contracts only
28 as an incident to the practice of law.

29 (ii) "Law firm" includes a sole practitioner.

30 (iii) "Law firm" does not include:

31 1. an attorney or an association of attorneys who own,
32 operate, or share an interest in a title agency; or

33 2. an attorney who is employed by a title agency as a title
34 insurance agent or title insurance broker.

1 (3) (i) "Title agency" means a business formed for the primary purpose
2 of soliciting, procuring, or negotiating title insurance contracts and providing
3 settlement services.

4 (ii) "Title agency" includes a sole proprietor, partnership, or
5 corporation.

6 (b) Subject to this section, the Commissioner may issue a [special restricted
7 certificate of qualification] LIMITED LINES LICENSE to an attorney at law of the State
8 to act as a title insurance [agent or title insurance broker] PRODUCER.

9 (c) All licensing provisions of this subtitle apply to title agencies even if the
10 title agency is established or owned by an attorney or a law firm.

11 (d) Notwithstanding any other provision of this subtitle:

12 (1) the bonding requirements of this subtitle relating to title insurance
13 [agents and title insurance brokers] PRODUCERS do not apply to law firms and
14 individual attorneys practicing law in law firms;

15 (2) the limited liability company, corporate, and partnership
16 requirements of this subtitle relating to title insurance [agents and title insurance
17 brokers] PRODUCERS do not apply to law firms; and

18 (3) the education, experience, and examination requirements of this
19 subtitle relating to title insurance [agents and title insurance brokers] PRODUCERS
20 do not apply to individual attorneys.

21 10-126.

22 (a) The Commissioner may deny a [certificate of qualification] LICENSE to an
23 applicant under §§ 2-210 through 2-214 of this article, or suspend, revoke, or refuse
24 to renew or reinstate a [certificate of qualification] LICENSE after notice and
25 opportunity for hearing under §§ 2-210 through 2-214 of this article if the applicant
26 or holder of the [certificate of qualification] LICENSE:

27 (1) has willfully violated this article or another law of the State that
28 relates to insurance;

29 (2) has intentionally misrepresented or concealed a material fact in the
30 application for a [certificate of qualification] LICENSE;

31 (3) has obtained or attempted to obtain a [certificate of qualification]
32 LICENSE by misrepresentation, concealment, or other fraud;

33 (4) has misappropriated, converted, or unlawfully withheld money
34 belonging to an insurer, [agent, broker] INSURANCE PRODUCER, beneficiary, or
35 insured;

1 (5) has willfully and materially misrepresented the provisions of a
2 policy;

3 (6) has committed fraudulent or dishonest practices in the insurance
4 business;

5 (7) has participated, with or without the knowledge of an insurer, in
6 selling motor vehicle insurance without an actual intent to sell the insurance, as
7 evidenced by a persistent pattern of filing certificates of insurance together with or
8 closely followed by cancellation notices for the insurance;

9 (8) has been convicted by final judgment in any state or federal court of
10 a FELONY OR crime involving moral turpitude;

11 (9) has knowingly participated in writing or issuing substantial
12 over-insurance of property insurance risks;

13 (10) has failed an examination required by this subtitle;

14 (11) has willfully failed to comply with or has willfully violated a proper
15 order, SUBPOENA, or regulation of the Commissioner OR THE INSURANCE
16 REGULATORY AUTHORITY OF ANOTHER STATE;

17 (12) has failed or refused to pay over on demand money that belongs to an
18 insurer, [agent, broker] INSURANCE PRODUCER, or other person entitled to the
19 money;

20 (13) has otherwise shown a lack of trustworthiness or competence to act
21 as an [agent or broker] INSURANCE PRODUCER;

22 (14) is not or does not intend to carry on business in good faith and
23 represent to the public that the person is an [agent or broker] INSURANCE
24 PRODUCER;

25 (15) has been denied a license or certificate in another state or has had a
26 license or certificate suspended or revoked in another state;

27 (16) has intentionally or willfully made or issued, or caused to be made or
28 issued, a statement that materially misrepresents or makes incomplete comparisons
29 about the terms or conditions of a policy or contract issued by an authorized insurer,
30 for the purpose of inducing or attempting to induce the owner of the policy or contract
31 to forfeit or surrender it or allow it to lapse in order to replace it with another;

32 (17) has transacted insurance business that was directed to the applicant
33 or holder for consideration by a person whose license or certificate to engage in the
34 insurance business at the time was suspended or revoked, and the applicant or holder
35 knew or should have known of the suspension or revocation;

1 (18) has solicited, procured, or negotiated insurance contracts for an
2 unauthorized insurer, including contracts for nonprofit health service plans, dental
3 plan organizations, and health maintenance organizations;

4 (19) has knowingly employed or knowingly continued to employ an
5 individual acting in a fiduciary capacity who has been convicted of a felony or crime of
6 moral turpitude within the preceding 10 years; [or]

7 [(20) if applying for renewal of an agent's certificate of qualification, has
8 not held an appointment with an insurer for more than 2 years before the date of
9 renewal.]

10 (20) HAS FORGED ANOTHER'S NAME TO AN APPLICATION FOR
11 INSURANCE OR TO ANY DOCUMENT RELATED TO AN INSURANCE TRANSACTION;

12 (21) HAS IMPROPERLY USED NOTES OR ANY OTHER REFERENCE
13 MATERIAL TO COMPLETE AN EXAMINATION FOR A LICENSE;

14 (22) HAS FAILED TO PAY INCOME TAX OR RELATED INTEREST OR
15 PENALTY UNDER:

16 (I) AN ASSESSMENT UNDER THE TAX - GENERAL ARTICLE THAT IS
17 FINAL AND NO LONGER SUBJECT TO REVIEW BY THE TAX COURT; OR

18 (II) AN ORDER OF THE TAX COURT THAT IS FINAL AND NO LONGER
19 SUBJECT TO JUDICIAL REVIEW; OR

20 (23) IN PROVIDING INFORMATION UNDER § 10-118 OF THIS SUBTITLE
21 REGARDING THE TERMINATION OF AN APPOINTMENT WITH AN INSURER, HAS MADE
22 AN INACCURATE STATEMENT WITH ACTUAL MALICE.

23 (b) (1) The Commissioner may deny a [certificate of qualification] LICENSE
24 to an applicant [limited liability company, partnership, or corporation] BUSINESS
25 ENTITY under §§ 2-210 through 2-214 of this article, or suspend, revoke, or refuse to
26 renew or reinstate a [certificate of qualification] LICENSE of a [limited liability
27 company, partnership, or corporation] BUSINESS ENTITY after notice and opportunity
28 for hearing under §§ 2-210 through 2-214 of this article, if an individual listed in
29 paragraph (2) of this subsection has:

30 (i) violated any provision of this subtitle;

31 (ii) been convicted of a felony, a crime of moral turpitude, or any
32 criminal offense involving dishonesty or breach of trust; or

33 (iii) had any professional license suspended or revoked for a
34 fraudulent or dishonest practice.

35 (2) This subsection applies in any case that involves a [limited liability
36 company, partnership, corporation, or any other] business entity if the violation was
37 committed by an individual who is:

- 1 (i) an [agent or broker] INSURANCE PRODUCER;
- 2 (ii) 1. in the case of a limited liability company, an officer,
3 director, member, or manager;
- 4 2. in the case of a partnership, a partner; and
- 5 3. in the case of a corporation, a director, officer, or owner; or
- 6 (iii) an individual with direct control over the fiscal management of
7 the [limited liability company, partnership, corporation, or any other] business
8 entity.

9 (c) Instead of or in addition to suspending or revoking the [certificate of
10 qualification] LICENSE, the Commissioner may impose on the holder of the
11 [certificate of qualification] LICENSE a penalty of not less than \$100 but not
12 exceeding \$500 for each violation of this article.

13 (d) Instead of or in addition to suspending or revoking the [certificate of
14 qualification] LICENSE, the Commissioner may require that restitution be made to
15 any citizen who has suffered financial injury because of the violation of this article.

16 (e) If the [certificate of qualification] LICENSE is suspended under this
17 section, the Commissioner may require the individual to pass an examination and file
18 a new application before the suspension is lifted.

19 (F) (1) WITHIN 30 DAYS AFTER THE FINAL DISPOSITION OF THE MATTER, AN
20 INSURANCE PRODUCER SHALL REPORT TO THE COMMISSIONER ANY ADVERSE
21 ADMINISTRATIVE ACTION TAKEN AGAINST THE INSURANCE PRODUCER:

22 (I) IN ANOTHER JURISDICTION; OR

23 (II) BY ANOTHER GOVERNMENTAL UNIT IN THIS STATE.

24 (2) THE REPORT SHALL INCLUDE A COPY OF THE ORDER, CONSENT
25 ORDER, AND ANY OTHER RELEVANT LEGAL DOCUMENTS.

26 (G) (1) (I) IN THIS SUBSECTION, THE TERM "CHARGING DOCUMENT"
27 MEANS A WRITTEN ACCUSATION ALLEGING THAT A DEFENDANT HAS COMMITTED
28 AN OFFENSE.

29 (II) IN THIS SUBSECTION, THE TERM "CHARGING DOCUMENT"
30 INCLUDES:

- 31 1. A CITATION;
- 32 2. AN INDICTMENT;
- 33 3. AN INFORMATION; AND
- 34 4. A STATEMENT OF CHARGES.

1 (2) THIS SUBSECTION DOES NOT APPLY TO A MISDEMEANOR VIOLATION
2 OF THE MARYLAND VEHICLE LAW OR THE VEHICLE LAW OF ANOTHER
3 JURISDICTION.

4 (3) IF AN INSURANCE PRODUCER IS PROSECUTED FOR A CRIME IN ANY
5 JURISDICTION, THE INSURANCE PRODUCER SHALL REPORT THE PROSECUTION TO
6 THE COMMISSIONER WITHIN 30 DAYS AFTER THE INSURANCE PRODUCER'S INITIAL
7 APPEARANCE BEFORE A COURT, INCLUDING AN APPEARANCE BEFORE:

8 1. A JUDICIAL OFFICER OF THE DISTRICT COURT DUE TO AN
9 ARREST;

10 2. THE DISTRICT COURT IN RESPONSE TO A SUMMONS;

11 3. THE CIRCUIT COURT DUE TO EXECUTION OF A WARRANT;
12 OR

13 4. THE CIRCUIT COURT IN PERSON OR BY WRITTEN NOTICE
14 OF COUNSEL IN RESPONSE TO A SUMMONS.

15 (4) THE REPORT SHALL INCLUDE A COPY OF:

16 (I) THE CHARGING DOCUMENT;

17 (II) ANY ORDER ISSUED BY A COURT; AND

18 (III) ANY OTHER RELEVANT LEGAL DOCUMENTS.

19 (H) AN INDIVIDUAL IS SUBJECT TO DENIAL OR SUSPENSION OF A LICENSE
20 UNDER § 10-119.3 OF THE FAMILY LAW ARTICLE IF THE INDIVIDUAL:

21 (1) IS IN ARREARS IN THE PAYMENT OF CHILD SUPPORT AMOUNTING TO
22 MORE THAN 120 DAYS UNDER THE MOST RECENT ORDER; OR

23 (2) HAS FAILED TO COMPLY WITH A SUBPOENA ISSUED BY THE CHILD
24 SUPPORT ENFORCEMENT ADMINISTRATION UNDER § 10-108.4 OF THE FAMILY LAW
25 ARTICLE.

26 10-127.

27 An insurer may not cancel a policy for nonpayment of premiums if the premium
28 due on the policy has been paid to the [broker] INSURANCE PRODUCER.

29 10-128.

30 (a) This section does not apply to:

31 (1) reinsurance;

32 (2) life insurance, health insurance, or annuity contracts;

- 1 (3) insurance of:
- 2 (i) rolling stock, vessels, or aircraft of a common carrier used in
3 interstate or foreign commerce;
- 4 (ii) a vehicle principally garaged and used outside the State; or
- 5 (iii) liability or other risks, incident to the ownership, maintenance,
6 or operation of a subject of insurance under subitems (i) or (ii) of this item;
- 7 (4) insurance of property while transported in interstate or in foreign
8 trade, or any liability or risk incident to the transportation;
- 9 (5) insurance of wet marine and transportation risks;
- 10 (6) bid bonds issued in connection with public or private contracts;
- 11 (7) policies or endorsements issued through:
- 12 (i) [agents] INSURANCE PRODUCERS compensated only by salary;
- 13 (ii) insurers not using [agents] INSURANCE PRODUCERS in the
14 general solicitation of business;
- 15 (iii) mutual insurers or other insurers not customarily using
16 [agents] INSURANCE PRODUCERS compensated by commission if no commission is
17 payable to an [agent] INSURANCE PRODUCER on the policy or endorsement; or
- 18 (iv) insurers or groups of insurers under common management or
19 control that are represented exclusively by [agents] INSURANCE PRODUCERS who
20 represent only the insurers or groups of insurers;
- 21 (8) reciprocal insurers; or
- 22 (9) insurance written through:
- 23 (i) the Maryland Automobile Insurance Fund; or
- 24 (ii) the Maryland Property Insurance Availability Program.
- 25 (b) This section does not alter the requirements of § 10-119 of this subtitle.
- 26 (c) (1) Notwithstanding any other provision of law of this State or of policy
27 forms, and subject to paragraph (2) of this subsection, an [agent] INSURANCE
28 PRODUCER that is a resident of this State may not be required to sign or countersign
29 a policy covering a subject of insurance resident, located, or to be performed in this
30 State.
- 31 (2) A policy covering a subject of insurance resident, located, or to be
32 performed in this State shall be signed or countersigned by an [agent] INSURANCE
33 PRODUCER that is a resident of this State if:

1 (i) the policy is written by an [agent] INSURANCE PRODUCER that
2 is a resident of another state and is qualified as a nonresident [agent] INSURANCE
3 PRODUCER in this State; and

4 (ii) the law of the other state requires a signature or
5 countersignature by an [agent] INSURANCE PRODUCER that is a resident of that
6 state on a policy written by an [agent or broker] INSURANCE PRODUCER that is not
7 a resident in that state.

8 (3) A policy is not invalid because it does not have the required signature
9 or countersignature.

10 (d) (1) A person may not sign or countersign a policy or endorsement subject
11 to this section unless the person:

12 (i) is a [qualified agent] LICENSED INSURANCE PRODUCER;

13 (ii) is a resident of this State;

14 (iii) is compensated by commissions on policies subject to this
15 section; and

16 (iv) is not an employee or officer of the insurer issuing the policy.

17 (2) This section does not prevent an [agent] INSURANCE PRODUCER
18 from:

19 (i) delegating the duty of signing or countersigning to employees of
20 the [agent] INSURANCE PRODUCER that are not also employees of lending
21 institutions; or

22 (ii) directing the payment of commissions on policies subject to this
23 section to a corporation or partnership insurance agency or otherwise.

24 (e) An [agent] INSURANCE PRODUCER may not countersign a policy or
25 endorsement unless the policy or endorsement states, as applicable:

26 (1) the rates or premiums;

27 (2) a description of the property insured; and

28 (3) the name and address of the insured.

29 (f) If the law of another state requires an [agent] INSURANCE PRODUCER
30 that is a resident of that state to keep part of the commission paid on a policy written,
31 countersigned, or delivered by the [agent] INSURANCE PRODUCER in that state on
32 request of a nonresident [agent or nonresident broker] INSURANCE PRODUCER of
33 that state, an [agent] INSURANCE PRODUCER that is a resident of this State and that
34 signs or countersigns a policy written by an [agent] INSURANCE PRODUCER that is a
35 resident of the other state and qualified as a nonresident [agent] INSURANCE
36 PRODUCER in this State covering a subject of insurance resident, located, or to be

1 performed in this State shall keep an equal pro rata part of any commission on the
2 policy.

3 10-128.1.

4 The Commissioner shall adopt regulations establishing the minimum length of
5 time for which and the manner in which an independent [agent or broker]
6 INSURANCE PRODUCER is required to maintain records of insurance transactions
7 conducted by the [agent or broker] INSURANCE PRODUCER.

8 10-129.

9 A person other than an independent [agent] INSURANCE PRODUCER may not be
10 represented to the public as an independent [agent] INSURANCE PRODUCER.

11 10-130.

12 (a) Except as otherwise provided in §§ 10-102 and 10-119 of this subtitle, a
13 commission, fee, reward, rebate, or other consideration for ~~procuring or influencing~~
14 ~~the procurement of~~ SELLING, SOLICITING, OR NEGOTIATING insurance may not be
15 paid, directly or indirectly, to a person other than a [qualified agent or qualified
16 broker] LICENSED INSURANCE PRODUCER.

17 (b) Except as otherwise provided in this article, for life insurance or health
18 insurance this section does not prohibit payment to or receipt by a [formerly qualified
19 agent or formerly qualified broker] PERSON WHO FORMERLY HELD A LICENSE AND,
20 IF THE PERSON ACTED ON BEHALF OF AN INSURER, AN APPOINTMENT of:

21 (1) commissions on renewal premiums on existing policies; or

22 (2) other deferred commissions.

23 (C) UNLESS THE PAYMENT WOULD VIOLATE § 27-209 OR § 27-212 OF THIS
24 ARTICLE, AN INSURER OR INSURANCE PRODUCER MAY PAY OR ASSIGN
25 COMMISSIONS, SERVICE FEES, OR OTHER VALUABLE CONSIDERATION TO AN
26 INSURANCE AGENCY OR TO PERSONS WHO DO NOT SELL, SOLICIT, OR NEGOTIATE
27 INSURANCE IN THE STATE.

28 10-131.

29 A person that violates § 10-103[(a),] (b)[,] or (c), § 10-118(b), or § 10-130 of
30 this subtitle is guilty of a misdemeanor and on conviction is subject to a fine not
31 exceeding \$500 or imprisonment not exceeding 6 months or both for each violation.

32 10-132.

33 A title insurance [agent or title insurance broker] PRODUCER that willfully or
34 knowingly violates § 10-121 of this subtitle is guilty of a misdemeanor and on
35 conviction is subject to a fine not exceeding \$50,000 or imprisonment not exceeding 1
36 year or both.

1 10-202.

2 (b) This subtitle does not apply to:

3 (1) an officer, employee, [agent] INSURANCE PRODUCER, or other
4 representative of an authorized insurer while acting for the authorized insurer;

5 (2) [a broker] AN INSURANCE PRODUCER that holds a [certificate of
6 qualification] LICENSE while acting as [a broker] AN INSURANCE PRODUCER for a
7 client;

8 10-203.

9 (b) An [agent] INSURANCE PRODUCER or other representative of an
10 authorized insurer that, while acting for an authorized insurer, uses a title similar to
11 those listed in § 10-201(b)(2) of this subtitle in close conjunction with all or part of the
12 name of the authorized insurer need not obtain a license if the [agent] INSURANCE
13 PRODUCER or other representative certifies to the Commissioner that the [agent]
14 INSURANCE PRODUCER or representative has completed successfully a course
15 submitted to and approved by the Commissioner.

16 10-204.

17 (c) A license may be issued to:

18 (2) a resident of the State who:

19 [(v) has been conferred the Certified Financial Planner (C.F.P.)
20 designation by the Certified Financial Planners Board of Standards, is currently
21 designated as a C.F.P., and is a member in good standing of the Certified Financial
22 Planners Board of Standards; or]

23 (V) IS CURRENTLY CERTIFIED BY THE CERTIFIED FINANCIAL
24 PLANNER BOARD OF STANDARDS TO USE THE MARKS CERTIFIED FINANCIAL
25 PLANNER AND CFP; OR

26 10-208.

27 A license does not authorize the licensee to:

28 (1) adjust losses; or

29 (2) receive compensation from an insurer[, broker, or agent] OR
30 INSURANCE PRODUCER for the sale or placement of insurance.

31 10-301.

32 (c) "Bail bondsman" means an authorized [agent] INSURANCE PRODUCER of
33 a surety insurer.

1 (h) "Surety insurer" means a person that, for compensation, directly or
2 through an authorized [agent] INSURANCE PRODUCER, acts as a surety on a bail
3 bond.

4 10-305.

5 An applicant for a license must be an individual who meets the requirements for
6 acting as a property and casualty [agent or broker] INSURANCE PRODUCER under
7 Subtitle 1 of this title.

8 10-402.

9 This subtitle does not apply to:

10 (1) an adjuster for or an [agent] INSURANCE PRODUCER or employee of
11 an insurer or group of insurers under common control or ownership that, as
12 representative of the insurer or group, adjusts losses or damages under policies issued
13 by the insurer or group;

14 (2) [a broker] AN INSURANCE PRODUCER that acts as an adjuster
15 without compensation for an insured for whom the [broker] INSURANCE PRODUCER
16 is acting as [a broker] AN INSURANCE PRODUCER; or

17 10-503.

18 (a) An adjuster, appraiser, or [agent] INSURANCE PRODUCER or employee of
19 an insurer may not:

20 (1) recommend the use of a specific repair service or source for the repair
21 or replacement of property damage to a motor vehicle without informing the claimant
22 or insured that the claimant or insured does not have to use the recommended repair
23 service or source;

24 (2) require that an appraisal or repair be made in a specific repair shop;

25 (3) require that a claimant or insured use a specific contractor or repair
26 shop for a repair service or repair product; or

27 (4) intimidate, coerce, or threaten a claimant or insured to use a specific
28 contractor or repair shop for a repair service or repair product.

29 10-602.

30 (a) A motor vehicle rental company shall hold a [special restricted certificate
31 of qualification] LIMITED LINES LICENSE TO SELL INSURANCE IN CONNECTION
32 WITH, AND INCIDENTAL TO, THE RENTAL OF A MOTOR VEHICLE before the company
33 or its employees may sell or offer any policies of insurance in this State to a renter in
34 connection [with] WITH, and incidental [to] TO, a rental agreement.

35 (b) A [special restricted certificate of qualification] LIMITED LINES LICENSE
36 TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, THE RENTAL OF A

1 MOTOR VEHICLE issued under this subtitle shall also authorize any salaried or hourly
2 employee of the motor vehicle rental company who is trained, under § 10-604(a)(4) of
3 this subtitle, to act on behalf of, and under the supervision of, a motor vehicle rental
4 company, with respect to the kinds of insurance specified in § 10-604(b)(2) of this
5 subtitle.

6 (c) The acts of an employee offering or selling insurance coverage on behalf of
7 a motor vehicle rental company shall be deemed the acts of the motor vehicle rental
8 company for the purposes of this subtitle.

9 (d) A motor vehicle rental company holding a [special restricted certificate of
10 qualification] LIMITED LINES LICENSE TO SELL INSURANCE IN CONNECTION WITH,
11 AND INCIDENTAL TO, THE RENTAL OF A MOTOR VEHICLE issued under this subtitle is
12 not required to treat premiums collected from a renter that purchased insurance from
13 the motor vehicle rental company as funds received in a fiduciary capacity if:

14 (1) the insurer represented by the motor vehicle rental company has
15 consented in a written agreement, signed by an officer of the insurer, that the
16 premiums do not need to be segregated from other funds received by the motor vehicle
17 rental company in connection with the vehicle rental; and

18 (2) the charges for insurance coverage are itemized but not billed to the
19 renter separately from the charges for the vehicle rental.

20 10-603.

21 (a) The Commissioner shall issue to a motor vehicle rental company, or a
22 franchisee of a motor vehicle rental company, a [special restricted certificate of
23 qualification] LIMITED LINES LICENSE authorizing the motor vehicle rental company
24 to offer or sell insurance in connection with, and incidental to, the rental of a vehicle
25 if the motor vehicle rental company:

26 (1) meets the requirements of § 10-604 of this subtitle;

27 (2) pays the fees for [agents] INSURANCE PRODUCERS required under §
28 2-112 of this article that are applicable to [a certificate of qualification] AN
29 INSURANCE PRODUCER LICENSE; and

30 (3) submits to the Commissioner any additional information or
31 documentation that the Commissioner requires, including any information or
32 documentation to determine the professional competence, good character, and
33 trustworthiness of the motor vehicle rental company.

34 (b) A [special restricted certificate of qualification] LIMITED LINES LICENSE
35 TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, THE RENTAL OF A
36 MOTOR VEHICLE issued under this subtitle is subject to the same term and renewal
37 conditions specified for [a certificate of qualification] AN INSURANCE PRODUCER
38 LICENSE under § 10-115 of this title.

1 10-604.

2 (a) A [special restricted certificate of qualification] LIMITED LINES LICENSE
3 TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, THE RENTAL OF A
4 MOTOR VEHICLE issued under this subtitle authorizes the motor vehicle rental
5 company to offer or sell, in connection with, and incidental to, a motor vehicle rental
6 agreement in which the rental period does not exceed 30 days, the insurance products
7 specified in paragraph (b) of this section if:

8 (1) the policies have been filed with and approved by the Commissioner;

9 (2) the motor vehicle rental company holds an appointment with each
10 authorized insurer, under § 10-118(a) of this title, that the motor vehicle rental
11 company intends to represent;

12 (3) prior to completion of the rental transaction, the motor vehicle rental
13 company provides to the renter disclosures approved by the Commissioner that:

14 (i) summarize, clearly and correctly, the material terms of
15 coverage, including limitations or exclusions;

16 (ii) identify the authorized insurer or insurers;

17 (iii) specify that the policies offered by the motor vehicle rental
18 company may provide a duplication of coverage already provided by a renter's
19 personal automobile insurance policy, homeowner's insurance policy, personal liability
20 insurance policy, or other source of coverage;

21 (iv) specify that the purchase of the coverages offered by the motor
22 vehicle rental company is not required in order for the renter to rent a vehicle;

23 (v) describe the process by which the renter can file a claim; and

24 (vi) specify that any excess liability coverage purchased by the
25 renter may duplicate coverage required to be provided under § 18-102(a)(2) of the
26 Transportation Article; and

27 (4) the motor vehicle rental company provides a training program,
28 approved by the [Insurance] Commissioner, for any employee who [offers,] sells,
29 solicits, or [procures] NEGOTIATES insurance coverage under this subtitle that
30 includes:

31 (i) instruction about the kinds of insurance specified in subsection
32 (b) of this section that can be offered to renters;

33 (ii) instruction that the trainee shall inform a renter that the
34 purchase of any insurance from the motor vehicle rental company is not required in
35 order for the renter to rent a vehicle; and

1 (iii) instruction that the trainee shall inform a renter that the renter
2 may have insurance policies that already provide the coverage being offered by the
3 motor vehicle rental company.

4 (b) A [special restricted certificate of qualification] LIMITED LINES LICENSE
5 TO SELL INSURANCE IN CONNECTION WITH, AND INCIDENTAL TO, THE RENTAL OF A
6 MOTOR VEHICLE issued under this subtitle authorizes the motor vehicle rental
7 company to offer or sell insurance policies under this subtitle that are:

8 (1) in excess of or optional to the coverages required to be provided by the
9 motor vehicle rental company under Title 17 of the Transportation Article and any
10 related regulations; and

11 (2) one of the following kinds of insurance:

12 (i) bodily injury liability;

13 (ii) property damage liability;

14 (iii) uninsured motorist insurance; or

15 (iv) if approved by the Commissioner, any other insurance coverage
16 that is appropriate in connection with the rental of a motor vehicle.

17 10-606.

18 (a) The Commissioner may suspend, revoke, or refuse to renew a [special
19 restricted certificate of qualification] LIMITED LINES LICENSE TO SELL INSURANCE
20 IN CONNECTION WITH, AND INCIDENTAL TO, THE RENTAL OF A MOTOR VEHICLE
21 issued under this subtitle after notice and opportunity for a hearing under Title 2,
22 Subtitle 2 of this article if the motor vehicle rental company or an employee of the
23 motor vehicle rental company has:

24 (1) willfully violated this article or another law of the State that relates
25 to insurance;

26 (2) operated without a [special restricted certificate of qualification]
27 LIMITED LINES LICENSE TO SELL INSURANCE IN CONNECTION WITH, AND
28 INCIDENTAL TO, THE RENTAL OF A MOTOR VEHICLE as required under this subtitle;

29 (3) failed to provide required disclosures;

30 (4) offered or sold unapproved insurance products;

31 (5) failed to hold an appointment with the insurer;

32 (6) failed to train employees [offering or] selling OR SOLICITING, OR
33 NEGOTIATING THE SALE OF, insurance products on behalf of the motor vehicle rental
34 company; or

1 (7) misrepresented pertinent facts or policy provisions that relate to the
2 coverage offered or sold pursuant to this subtitle.

3 (b) A motor vehicle rental company and its employees may not advertise,
4 represent, or otherwise hold itself out as an authorized insurer, or as an insurance
5 [agent or insurance broker] PRODUCER, for any kind or subdivision of insurance.

6 (c) Instead of, or in addition to, suspending or revoking the [special restricted
7 certificate of qualification] LIMITED LINES LICENSE TO SELL INSURANCE IN
8 CONNECTION WITH, AND INCIDENTAL TO, THE RENTAL OF A MOTOR VEHICLE, the
9 Commissioner may:

10 (1) impose on the motor vehicle rental company a penalty of not less than
11 \$100 but not more than \$2,500 for each violation of this subtitle; and

12 (2) require that restitution be made to any person who has suffered
13 financial injury because of the violation of this article.

14 11-230.

15 (a) An insurer or officer, [agent] INSURANCE PRODUCER, or representative of
16 an insurer may not knowingly issue or deliver or knowingly allow the issuance or
17 delivery of a policy or endorsement, certificate, or addition to the policy, except in
18 accordance with the filings that are in effect for the insurer as provided in this
19 subtitle.

20 (b) An insurer may pay or allow a commission to a [qualified agent]
21 LICENSED INSURANCE PRODUCER of the insurer as compensation for procuring
22 business.

23 11-325.

24 (g) This section does not authorize the Commissioner to require that an
25 insurer place an [agent] INSURANCE PRODUCER in a particular location or
26 jurisdiction.

27 11-407.

28 (c) A title insurer may pay or allow a commission to a [qualified agent]
29 LICENSED INSURANCE PRODUCER of the title insurer as compensation for procuring
30 business.

31 12-106.

32 (d) (1) If a binder is given to a consumer borrower to satisfy a lender's
33 requirement that the borrower obtain property insurance or credit loss insurance as a
34 condition of making a loan secured by a first mortgage or first deed of trust on an
35 interest in owner-occupied residential real property, the insurer or its [agent]
36 INSURANCE PRODUCER shall include in or with the binder:

- 1 (i) the name and address of the insured consumer borrower;
- 2 (ii) the name and address of the lender;
- 3 (iii) a description of the insured residential real property;
- 4 (iv) a provision that the binder may not be canceled within the term
5 of the binder unless the lender and the insured borrower receive written notice at
6 least 10 days before the cancellation;
- 7 (v) except in the case of the renewal of a policy after the closing of
8 a loan, a paid receipt for the full amount of the applicable premium; and
- 9 (vi) the amount of coverage.

10 12-209.

11 A life insurance or health insurance policy or annuity contract may not be
12 delivered or issued for delivery in the State if the policy or contract:

13 (5) provides that the [agent] INSURANCE PRODUCER who solicits the
14 insurance or annuity is the agent of the insured; or

15 (6) makes the acts or representations of the [agent] INSURANCE
16 PRODUCER who solicits the insurance or annuity binding on the insured.

17 12-210.

18 (b) For purposes of this section, an emergency situation includes a fire,
19 earthquake, flood, postal strike, insurance [agent] PRODUCER strike, or other
20 situation that is not under the control of insureds.

21 13-116.

22 (a) An authorized insurer that issues coverage under this title may not engage
23 in fronting agreements with unauthorized insurers with respect to any insurance
24 written or issued in the State under which the authorized insurer by reinsurance or
25 otherwise transfers to one or more unauthorized insurers:

26 (3) all of the business produced through an [agent] INSURANCE
27 PRODUCER or agency;

28 14-139.

29 (a) An officer, director, or employee of a corporation operating under this
30 subtitle may not:

31 (4) misappropriate or fail to account properly for money that belongs to
32 the corporation, an insurer, [agent, broker] INSURANCE PRODUCER, subscriber, or
33 certificate holder;

1 15-207.

2 Each policy of health insurance shall contain the following provision: "Entire
3 contract; changes: This policy, including the endorsements and the attached papers, if
4 any, constitutes the entire contract of insurance. No change in this policy shall be
5 valid until approved by an executive officer of the insurer and unless such approval be
6 endorsed hereon or attached hereto. No [agent] INSURANCE PRODUCER has
7 authority to change this policy or to waive any of its provisions."

8 15-210.

9 (a) Each policy of health insurance shall contain the following provision:
10 "Reinstatement: If any renewal premium be not paid within the time granted the
11 insured for payment, a subsequent acceptance of premium by the insurer or by any
12 [agent] INSURANCE PRODUCER duly authorized by the insurer to accept such
13 premium, without requiring in connection therewith an application for reinstatement,
14 shall reinstate the policy; provided, however, that if the insurer or such [agent]
15 INSURANCE PRODUCER requires an application for reinstatement and issues a
16 conditional receipt for the premium tendered, the policy will be reinstated upon
17 approval of such application by the insurer or, lacking such approval, upon the
18 forty-fifth (45th) day following the date of such conditional receipt unless the insurer
19 has previously notified the insured in writing of its disapproval of such application.
20 The reinstated policy shall cover only loss resulting from such accidental injury as
21 may be sustained after the date of reinstatement and loss due to such sickness as may
22 begin more than ten days after such date. In all other respects the insured and
23 insurer shall have the same rights thereunder as they had under the policy
24 immediately before the due date of the defaulted premium, subject to any provisions
25 endorsed hereon or attached hereto in connection with the reinstatement. Any
26 premium accepted in connection with a reinstatement shall be applied to a period for
27 which premium has not been previously paid, but not to any period more than sixty
28 (60) days prior to the date of reinstatement."

29 15-211.

30 (a) Each policy of health insurance shall contain the following provision:
31 "Notice of claim: Written notice of claim must be given to the insurer within twenty
32 (20) days after the occurrence or commencement of any loss covered by the policy, or
33 as soon thereafter as is reasonably possible. Notice given by or on behalf of the
34 insured or the beneficiary to the insurer at (insert the location of such office as
35 the insurer may designate for the purpose), or to any authorized [agent] INSURANCE
36 PRODUCER of the insurer, with information sufficient to identify the insured, shall be
37 deemed notice to the insurer."

38 15-916.

39 (d) The carrier or [agent] INSURANCE PRODUCER of the carrier shall deliver
40 to the prospective buyer a Medicare supplement buyer's guide that is printed in at
41 least 12-point type:

42 (1) before accepting an application;

1 (2) when an existing policy is converted to a Medicare supplement policy;
2 and
3 (3) at any other time required by the Commissioner by regulation.

4 15-919.

5 (a) (1) Under any circumstance stated in this section, a carrier or [agent]
6 INSURANCE PRODUCER of a carrier shall give to a prospective buyer eligible for
7 Medicare by reason of age a written statement as required, for each circumstance, by
8 this section.

9 (2) The written statement shall be given before the carrier or [agent]
10 INSURANCE PRODUCER accepts an application.

11 (d) (3) A carrier or [agent] INSURANCE PRODUCER of a carrier need not
12 provide the statement required under paragraph (1) of this subsection for:

13 (i) a policy or certificate that is issued in accordance with a
14 contract under § 1876 of the federal Social Security Act, 42 U.S.C. § 1395(mm);

15 (ii) a disability income policy; or

16 (iii) a policy or contract of one or more employers or labor
17 organizations or the trustees of a fund established by one or more employers or labor
18 organizations or a combination of employers or labor organizations, for employees,
19 former employees, a combination of employees or former employees, members, former
20 members, or a combination of members or former members of the labor organization.
21 15-922.

22 (b) A carrier or other entity may provide a commission or other compensation
23 to an [agent] INSURANCE PRODUCER or other representative for the sale of a
24 Medicare supplement policy or certificate only if the first year commission or other
25 first year compensation is not more than 200% of the commission or other
26 compensation paid for selling or servicing the Medicare supplement policy or
27 certificate in the second year or period.

28 (d) If an existing Medicare supplement policy or certificate is replaced, the
29 carrier or other entity may not provide to its [agents] INSURANCE PRODUCERS or
30 other producers, and an [agent] INSURANCE PRODUCER or other producer may not
31 receive, compensation greater than the renewal compensation payable by the
32 succeeding carrier on renewal Medicare supplement policies or certificates.

33 15-924.

34 (b) (1) When soliciting the sale of a health insurance policy to an individual
35 eligible for Medicare, a carrier or [agent] INSURANCE PRODUCER shall ask the
36 individual whether the individual:

1 (i) is already covered by an existing Medicare supplement policy;
2 and

3 (ii) is entitled to Medicaid benefits.

4 (2) The carrier or [agent] INSURANCE PRODUCER shall obtain a written
5 statement from the individual that verifies the individual's information provided
6 under paragraph (1) of this subsection.

7 (c) When soliciting or advertising the sale of a health insurance policy to an
8 individual eligible for Medicare, a carrier or [agent] INSURANCE PRODUCER may not:

9 (1) represent or imply that the carrier or [agent] INSURANCE
10 PRODUCER represents, works for, or is compensated by a federal, State, or local
11 government agency;

12 (2) falsely represent or imply that the carrier or [agent] INSURANCE
13 PRODUCER is offering insurance to supplement Medicare that is approved or
14 recommended by a federal, State, or local government agency;

15 (3) use terms such as "Medicare consultant", "Medicare advisor",
16 "Medicare bureau", or "disability insurance consultant" when describing the carrier or
17 [agent] INSURANCE PRODUCER in a letter, envelope, reply card, or any other writing
18 or advertisement or in any oral representation; or

19 (4) knowingly make a misrepresentation or incomplete or fraudulent
20 comparison by commission or omission of a policy or carrier to induce or attempt to
21 induce the individual to:

22 (i) purchase, amend, lapse, surrender, forfeit, change, duplicate, or
23 not renew coverage already in force;

24 (ii) replace a policy that is only technically at variance with the
25 policy being offered by the carrier or [agent] INSURANCE PRODUCER; or

26 (iii) take out a policy with another carrier.

27 15-925.

28 (a) When soliciting the sale of a health insurance policy, a carrier or [agent]
29 INSURANCE PRODUCER may not knowingly offer a Medicare supplement policy to an
30 individual not eligible for Medicare.

31 (b) A carrier or [agent] INSURANCE PRODUCER may not negligently or
32 knowingly sell or offer to sell a Medicare supplement policy to an individual eligible
33 for Medicaid benefits.

34 (c) A carrier or [agent] INSURANCE PRODUCER may not negligently or
35 knowingly sell or offer to sell to an individual a Medicare supplement policy that

1 duplicates to any extent an existing Medicare supplement policy that covers that
2 individual.

3 (d) A carrier or [agent] INSURANCE PRODUCER may not use the terms
4 "Medicare supplement", "Medigap", or other words of similar meaning in advertising
5 or otherwise in soliciting the sale of a health insurance policy or other policy, unless
6 the policy conforms to §§ 15-904, 15-906, 15-907, and 15-908 of this subtitle.

7 16-104.

8 (b) An [agent] INSURANCE PRODUCER or other representative of an insurer
9 may not in the State prepare, submit, or accept an application for life insurance that
10 bears a date earlier than the date when the application was made by the insured or
11 applicant, if, as a result, the premium on the policy is reduced below the premium
12 that would have been payable on the policy as determined by the insuring age of the
13 insured when the application was made.

14 16-501.

15 This subtitle does not apply to:

16 (9) an annuity contract that is delivered outside the State through an
17 [agent] INSURANCE PRODUCER or other representative of the insurer issuing the
18 contract.

19 18-106.

20 (a) (2) The carrier shall deliver the outline of coverage and buyer's guide:

21 (i) in the case of solicitation by the carrier or [agent] INSURANCE
22 PRODUCER of the carrier, before the presentation of an application or enrollment
23 form; and

24 18-120.

25 In addition to the other practices prohibited under this article, a carrier or
26 [agent] INSURANCE PRODUCER of a carrier that provides long-term care insurance
27 may not:

28 (1) employ a method of marketing that induces or tends to induce the
29 purchase of long-term care insurance through undue pressure;

30 (2) use a method of marketing that fails to disclose in a conspicuous
31 manner that a purpose of the method of marketing is solicitation of insurance, and
32 that contact will be made by an [agent] INSURANCE PRODUCER or carrier; or

33 (3) knowingly make a misleading representation or an incomplete or
34 fraudulent comparison of policies or carriers to induce a person to lapse, forfeit,
35 surrender, terminate, retain, pledge, assign, borrow on, or convert a policy or take out
36 a policy with another carrier.

1 19-111.

2 (a) This section only applies if an insurer, through its [agent] INSURANCE
3 PRODUCER, adjuster, or representative, has begun investigating, estimating, or
4 adjusting a property loss resulting from fire or a hazard under an extended coverage
5 endorsement.

6 20-101.

7 [(k) "Producer" means a qualified broker or qualified agent, including an
8 independent agent, that has been assigned a producer authorization code by the
9 Fund.]

10 20-502.

11 (e) (1) If a prospective insured fails to qualify under this section, any policy
12 issued is void and a commission may not be paid by the Fund to a FUND producer.

13 (2) (i) Subject to the provisions of subparagraph (ii) of this paragraph,
14 if a person fails to meet the requirements of subsection (b) of this section, the Fund
15 may charge and collect the greater of:

16 1. a policy processing fee to cover its expenses; or

17 2. the amount that the person would have received after the
18 Fund returns to a FUND producer, or any other person other than the person who fails
19 to meet the requirements of subsection (b) of this section, any gross unearned
20 premiums that are due under the policy.

21 20-504.

22 (b) (1) At the time coverage provided by the Fund is bound and before any
23 add-on coverage is sold, a FUND producer shall provide a clear and conspicuous
24 written disclosure, in the form approved by the Commissioner, that:

25 (i) states that the cost of add-on coverage is not part of the
26 premium for the related policy issued by the Fund;

27 (ii) includes an itemized list of any add-on coverages to be sold to
28 the insured;

29 (iii) states the nature and cost of each add-on coverage to be sold;
30 and

31 (iv) states that add-on coverage is optional and is not required
32 under § 17-103 of the Transportation Article.

33 (d) (1) A FUND producer may not:

34 (i) require an insured or prospective insured to purchase an
35 add-on coverage as a condition to purchasing the related policy issued by the Fund; or

1 (ii) sell add-on coverage or any combination of add-on coverages in
2 an amount that exceeds \$200 per covered vehicle in connection with a private
3 passenger auto insurance policy.

4 (2) A pattern or practice of violations of this section by a FUND producer
5 is subject to the same penalties as a violation of § 20-513 of this subtitle.

6 20-507.

7 (f) (3) If a prospective insured's initial payment to the Fund, a FUND
8 producer, or premium finance company is not honored, a policy or endorsement issued
9 in reliance on that payment is void.

10 20-509.

11 (a) (1) Subject to this section and the regulations that relate to the binding
12 of coverage, a FUND producer may bind the minimum required coverage for an
13 applicant in the Fund if the applicant submits an application to the FUND producer
14 and pays the appropriate premium.

15 (2) To effect coverage, the FUND producer must receive payment of the
16 appropriate premium required under the regulations that relate to the binding of
17 coverage.

18 (b) (1) The Board of Trustees shall adopt and make available to each FUND
19 producer reasonable regulations that relate to the authority of FUND producers to
20 bind coverage.

21 (2) The regulations shall include:

22 (iv) the time within which the FUND producer is to give notice.

23 (c) The Fund:

24 (1) may refuse to grant the authority of a FUND producer to an [agent or
25 broker] INSURANCE PRODUCER that has been previously terminated as a FUND
26 producer or that has had its [certificate of qualification] LICENSE previously revoked
27 or surrendered; and

28 (2) subject to the hearing provisions of § 20-514 of this subtitle, may
29 discipline a FUND producer that:

30 (i) employs or otherwise retains a person described in item (1) of
31 this subsection; and

32 (ii) allows the person to become involved in the FUND producer's
33 operations or management contrary to a requirement of this article or order of the
34 Administration.

35 (d) Subject to subsection (e) of this section, the Fund is liable for coverage from
36 the date that the FUND producer binds coverage.

1 (f) Whenever coverage is canceled:

2 (1) the Fund promptly shall notify the applicant, FUND producer, and
3 Motor Vehicle Administration of the cancellation;

4 20-510.

5 (a) Each FUND producer is a fiduciary as to all premiums, return premiums,
6 or other money that the FUND producer receives from any person in connection with
7 a policy or policy application issued by, to be issued by, or bound in the Fund.

8 (b) Each FUND producer shall deposit as trust money into an account for
9 premiums all money received under subsection (a) of this section to be accounted for
10 and paid over to the Fund as the law requires.

11 20-511.

12 [(a) This section does not apply to a producer that has filed a bond with the
13 Commissioner under § 10-112(c) of this article.

14 (b)] (A) (1) On application to the Fund for appointment as a FUND
15 producer, an applicant shall file with the Fund a bond for the benefit of the Fund for
16 the balance of the current year.

17 (2) On or before December 31 of each year, each FUND producer shall file
18 with the Fund a bond for the benefit of the Fund for the next succeeding year.

19 [(c)] (B) A bond required under this section shall be:

20 (1) in the amount of \$10,000;

21 (2) executed by an authorized surety insurer; and

22 (3) conditioned that the FUND producer will account for and pay over to
23 the person entitled to it all money belonging to the person that comes into the FUND
24 producer's possession in accordance with this subtitle and the regulations that relate
25 to the binding of coverage.

26 [(d)] (C) (1) A FUND producer is considered to have complied with this
27 section if an Association member certifies to the Fund that:

28 (i) the Association member has a bond in effect that covers the
29 FUND producer and complies with the requirements of this section; and

30 (ii) the bond coverage extends to the Fund when persons apply to
31 the Fund for coverage through the FUND producer.

32 (2) The certification shall be made by an authorized representative of
33 the Association member.

34 (3) A copy of the certification shall be mailed promptly to the Fund.

1 [(e)] (D) A FUND producer's authority to bind coverage in the Fund may be
2 terminated on 10 days' written notice if the bond is not:

3 (1) filed with the Fund in a timely manner; or

4 (2) continuously maintained in effect while the FUND producer has
5 authority to bind coverage in the Fund.

6 20-512.

7 (a) Except as provided in subsection (b) of this section, the Fund shall pay to a
8 FUND producer of a policyholder to whom a policy is issued a commission:

9 (1) for private passenger auto insurance issued by the Fund, at a rate of
10 10% of the total premium; and

11 (2) for any other insurance issued by the Fund, at a rate determined by
12 the Fund but not to exceed 10% of the total premium.

13 (b) The Fund may not pay a commission:

14 (3) if a prospective insured's initial payment to the Fund, a FUND
15 producer, or premium finance company is not honored.

16 20-513.

17 The Fund may refuse to accept further applications from a FUND producer or
18 may terminate the authority of the FUND producer to bind coverage or both if:

19 (1) the Fund finds that the FUND producer has engaged in the practice of
20 binding coverage in the Fund in violation of regulations adopted by the Board of
21 Trustees; or

22 (2) after demand has been made by the Fund, the FUND producer fails to
23 pay money owed the Fund as a result of:

24 (i) the binding or change of coverage; or

25 (ii) a commission paid to the FUND producer on a policy that is
26 canceled after the effective date of coverage.

27 20-514.

28 (a) Except as provided in subsection (b) of this section, the Fund shall give
29 prior written notice to a FUND producer of its intended action under § 20-513 of this
30 subtitle and give the FUND producer an opportunity for a hearing before taking the
31 action.

32 (b) (2) After taking an action under § 20-513 of this subtitle, the Fund
33 promptly shall give notice to the FUND producer and hold a hearing within 10
34 working days before a member of the Board of Trustees.

1 20-515.

2 (a) The Fund may use the Maryland Tax Refund Intercept Program to recover
3 money owed to the Fund by a FUND producer if the Fund makes a demand for the
4 money and the FUND producer does not make payment.

5 20-520.

6 (d) (2) The notice shall:

7 (ii) advise the person to contact the FUND producer that bound the
8 person's coverage with the Fund during the most recent coverage period;

9 23-101.

10 (b) (1) "Premium finance agreement" means an agreement:

11 (i) by which an insured or prospective insured promises to pay a
12 premium finance company the amount advanced or to be advanced under the
13 agreement, together with interest and a service fee, to an insurer[, the insurer's
14 agent, or a broker] OR AN INSURANCE PRODUCER in payment of premiums; and

15 (ii) that contains an assignment of or is otherwise secured by the
16 unearned premium or refund obtainable from the insurer on cancellation of the
17 insurance contract.

18 (2) "Premium finance agreement" does not include a premium financed
19 in connection with a time sale of goods or services or an extension of credit without
20 charge by an [agent or broker] INSURANCE PRODUCER.

21 23-201.

22 (b) An insurer[, agent, or broker] OR INSURANCE PRODUCER must register
23 with the Commissioner before engaging in the business of financing premiums in the
24 State.

25 23-301.

26 (b) A premium finance agreement shall contain:

27 (1) the name and place of business of the [agent or broker] INSURANCE
28 PRODUCER negotiating the related insurance contract;

29 23-302.

30 (b) When a premium finance agreement is signed, the premium finance
31 company, or the [agent or broker] INSURANCE PRODUCER, if applicable, shall provide
32 the insured with, or cause the insured to be provided with, a legible copy of the fully
33 completed and executed premium finance agreement.

1 23-302.2.

2 If an insurer receives notice of a financed insurance premium, the insurer shall,
3 within 10 business days after its calculation, notify the insured, the insurer's [agent]
4 INSURANCE PRODUCER, and premium finance company of any additional premium
5 arising under the financed policy.

6 23-403.1.

7 If an insurer receives notice from an [agent] INSURANCE PRODUCER or
8 premium finance company, within 15 business days after receipt of the initial down
9 payment for the coverage being financed, that the initial down payment has been
10 dishonored by a financial institution, there is no valid insurance contract or insurance
11 contracts, and the policy shall be voided.

12 23-501.

13 A premium finance company, or an [agent or broker] INSURANCE PRODUCER, if
14 applicable, may not require an insured or prospective insured to purchase or finance
15 add-on coverage, as defined in § 20-504 of this article, as a condition of financing the
16 premium for an insurance contract issued by the Maryland Automobile Insurance
17 Fund.

18 23-502.

19 A person may not pay any part of an initial service fee or any other fee or charge
20 to an [agent, broker] INSURANCE PRODUCER, employee of an [agent or broker]
21 INSURANCE PRODUCER, or to any other person as an inducement to financing an
22 insurance contract with a premium financing company.

23 23-505.2.

24 (a) An insurer that markets through independent [agents] INSURANCE
25 PRODUCERS as defined in this article may not discriminate, intimidate, or retaliate
26 against an [agent, broker,] INSURANCE PRODUCER or insured that uses premium
27 financing by denying the [agent, broker,] INSURANCE PRODUCER or insured the
28 same rights accorded to [agents, brokers,] INSURANCE PRODUCERS or insureds who
29 pay premiums in a different manner.

30 (b) With respect to personal lines automobile insurance, an independent
31 [agent] INSURANCE PRODUCER, who directly or indirectly has an ownership interest
32 in a premium finance company, shall provide a disclosure to be signed by the insured
33 comparing the costs and terms of premium financing with the insurer's alternative
34 payment plan.

35 23-506.

36 In addition to any other applicable administrative or civil penalty, a premium
37 finance company, insurer, [agent, or broker] OR INSURANCE PRODUCER that
38 willfully and knowingly violates any provision of this title is guilty of a misdemeanor

1 and on conviction is subject to a fine not exceeding \$1,000 or imprisonment not
2 exceeding 1 year or both.

3 25-106.

4 (d) (1) Unless the purchase is effected through a licensed ~~agent or broker~~
5 INSURANCE PRODUCER acting under the surplus lines insurance laws and
6 regulations of a state, a purchasing group may not purchase insurance from a risk
7 retention group that is not chartered in that state or from an insurer not authorized
8 in the state in which the purchasing group is located.

9 25-107.

10 (a) A person must obtain a license from the Commissioner before the person
11 acts or offers to act as an [agent or broker] INSURANCE PRODUCER for a risk
12 retention group or purchasing group that solicits members, sells insurance coverage,
13 purchases coverage for its members that are located in the State, or otherwise does
14 business in the State.

15 (b) (1) Each [agent or broker] INSURANCE PRODUCER acting on behalf of a
16 risk retention group or purchasing group shall keep a complete and separate record of
17 all policies procured from or on behalf of the risk retention group or purchasing group.
18 25-401.

19 [(f) "Licensed producer" means a qualified agent or qualified broker.]

20 [(g)] (F) (1) "Premiums written" means, as computed by the Association,
21 gross direct premiums charged during the second preceding calendar year with
22 respect to property in the State on all policies of essential property insurance and the
23 essential property insurance components of multi-peril policies, less return
24 premiums, dividends paid or credited to policyholders, or the unused or unabsorbed
25 parts of premium deposits.

26 (2) "Premiums written" does not include premiums or parts of premiums
27 relating to risks ceded to the Association.

28 25-405.

29 (e) The program of operation shall provide that the Association may not
30 appoint [agents] INSURANCE PRODUCERS TO ACT ON ITS BEHALF and shall do
31 business directly with applicants or with licensed INSURANCE producers that
32 represent applicants.

33 25-407.

34 (e) On request, the Association shall make available a copy of the inspection
35 report to the applicant or the applicant's licensed INSURANCE producer.

1 27-211.

2 (b) An insurer may not directly or indirectly, or by an [agent] INSURANCE
3 PRODUCER or representative of the insurer, participate in a plan to offer or effect a
4 kind or kinds of life insurance, health insurance, or annuities in the State as an
5 inducement to, or in combination with, the purchase by the public of goods, securities,
6 commodities, services or subscriptions to periodicals.

7 27-212.

8 (b) Except to the extent provided for in an applicable filing with the
9 Commissioner as provided by law, an insurer, employee or representative of an
10 insurer[, agent or broker] OR INSURANCE PRODUCER may not pay, allow, give, or
11 offer to pay, allow, or give directly or indirectly as an inducement to insurance or after
12 insurance has become effective:

13 (1) a rebate, discount, abatement, credit, or reduction of the premium
14 stated in the policy;

15 (2) a special favor or advantage in the dividends or other benefits to
16 accrue on the policy; or

17 (3) any valuable consideration or other inducement not specified in the
18 policy.

19 (e) This section does not prohibit an insurer from:

20 (1) paying commissions or other compensation to [qualified agents or
21 qualified brokers] LICENSED INSURANCE PRODUCERS; or

22 (2) allowing or returning to its participating policyholders, members, or
23 subscribers lawful dividends, savings, or unabsorbed premium deposits.

24 27-214.

25 (a) (1) A person may not require another person to buy insurance through a
26 particular [agent, broker,] INSURANCE PRODUCER or insurer as a condition
27 agreement, or understanding with respect to selling or providing a loan, credit, sale,
28 goods, property, contract, lease, or service to the other person.

29 (2) An [agent, broker,] INSURANCE PRODUCER or insurer may not
30 participate in a combination plan or transaction prohibited by paragraph (1) of this
31 subsection.

32 (b) (1) A person may not solicit the combination of insurance and other
33 matters prohibited by subsection (a) of this section.

34 (2) An [agent, broker,] INSURANCE PRODUCER or insurer may not
35 participate in a plan of public solicitation of the combination of insurance and other
36 matters prohibited by subsection (a) of this section.

1 (3) This subsection does not prohibit a person from being an [agent or
2 broker] INSURANCE PRODUCER and engaging in another business at the same time
3 or place if:

4 (i) the sales of insurance and other matters are not combined or
5 coerced as prohibited by subsection (a) of this section; and

6 (ii) the buyer or other person has the free choice of insurance.

7 (c) (1) Violation of this section does not invalidate any contract or
8 transaction.

9 (2) Notwithstanding a combination contract, tying agreement,
10 understanding, or condition to the contrary, the person required to buy or pay for
11 insurance or to bid ex-insurance may substitute at any time other insurance from
12 [agents, brokers,] INSURANCE PRODUCERS or insurers chosen by the person, or may
13 decline further insurance coverage if the insurance is other than to protect the
14 interest of a lender, property owner, or other person.

15 27-216.

16 (b) (2) Paragraph (1) of this subsection does not prohibit:

17 (iv) [an agent or broker] FUND PRODUCER from charging and
18 collecting, as actual expenses incurred in placing automobile insurance with the
19 Maryland Automobile Insurance Fund: 1. a maximum charge of \$10 plus \$1 more
20 than the actual charge by the Motor Vehicle Administration for a driving record
21 required to be presented with the application, unless otherwise provided by the Fund;
22 or 2. the amount provided in subsection (e) of this section; or

23 (d) (1) Notwithstanding subsection (a) of this section, a surplus lines broker
24 that holds a certificate of qualification under Title 3, Subtitle 3 of this article may
25 charge a reasonable policy fee, not exceeding \$75, on each policy procured by a
26 [qualified agent or qualified broker] LICENSED INSURANCE PRODUCER to whom the
27 surplus lines broker pays a commission.

28 (e) (2) (i) The Maryland Automobile Insurance Fund may sponsor [an
29 agent, broker,] A FUND PRODUCER or premium finance company registered under
30 Title 23 of this article for the purpose of obtaining accident history reports directly
31 from a person that provides accident history reports.

32 (ii) When placing automobile insurance through the Fund, [an
33 agent, broker,] A FUND PRODUCER or premium finance company sponsored by the
34 Fund under this paragraph may obtain accident history reports directly from a
35 person that provides accident history reports.

36 (3) Unless provided otherwise by the Fund, a person that provides
37 accident history reports to [an agent, broker,] A FUND PRODUCER or premium
38 finance company sponsored by the Fund under paragraph (2) of this subsection shall

1 direct all billing for the reports to the [agent, broker,] FUND PRODUCER or premium
2 finance company.

3 (4) Subsection (b)(1) of this section does not prohibit [an agent, broker,]
4 A FUND PRODUCER or premium finance company from charging and collecting actual
5 expenses that are imposed by a person for providing accident history reports under
6 this subsection in connection with the placement of automobile insurance through the
7 Fund.

8 27-220.

9 An [agent, broker,] INSURANCE PRODUCER or insurer may not refer an
10 individual employee or dependent of an employee to the Children and Families
11 Health Care Program established under Title 15, Subtitle 3 of the Health General
12 Article or arrange for an individual employee or dependent of an employee to apply
13 for the Children and Families Health Care Program established under Title 15,
14 Subtitle 3 of the Health General Article if the [agent, broker,] INSURANCE
15 PRODUCER or insurer has an economic interest in the referral or the arrangement
16 and the [agent's, broker's,] INSURANCE PRODUCER'S or insurer's sole purpose is to
17 separate that employee or that employee's dependent from group health insurance
18 provided in connection with the employee's employment.

19 27-405.

20 (a) It is a fraudulent insurance act for a person to act as or represent to the
21 public that the person is an [agent, broker,] INSURANCE PRODUCER or adjuster in
22 the State if the person has not received the appropriate [certificate of qualification]
23 LICENSE under or otherwise complied with Title 10, Subtitle 1 of this article.

24 (b) It is a fraudulent insurance act for an [agent or broker] INSURANCE
25 PRODUCER:

26 (1) to solicit or take application for, procure, or place for others insurance
27 for which the [agent or broker] INSURANCE PRODUCER has not obtained an
28 appropriate [certificate of qualification] LICENSE;

29 (2) knowingly to violate § 10-130 of this article; or

30 (3) intentionally to fail to report to an insurer the exact amount of
31 consideration charged as a premium for an insurance contract, if different from the
32 policy premium, and to fail to maintain records that show that information.

33 27-501.

34 (a) (1) An insurer[, agent, or broker] OR INSURANCE PRODUCER may not
35 cancel or refuse to underwrite or renew a particular insurance risk or class of risk for
36 a reason based wholly or partly on race, color, creed, sex, or blindness of an applicant
37 or policyholder or for any arbitrary, capricious, or unfairly discriminatory reason.

1 (2) Except as provided in this section, an insurer[, agent, or broker] OR
2 INSURANCE PRODUCER may not cancel or refuse to underwrite or renew a particular
3 insurance risk or class of risk except by the application of standards that are
4 reasonably related to the insurer's economic and business purposes.

5 (c) An insurer[, agent, or broker] OR INSURANCE PRODUCER may not make
6 an inquiry about race, creed, color, or national origin in an insurance form,
7 questionnaire, or other manner or requesting general information that relates to an
8 application for insurance.

9 27-503.

10 (a) An insurer may not cancel a written agreement with an [agent or broker]
11 INSURANCE PRODUCER about insurance or refuse to accept insurance business from
12 the [agent or broker] INSURANCE PRODUCER unless the insurer complies with this
13 section.

14 (b) (1) This subsection does not apply to:

15 (i) policies of life insurance, health insurance, surety insurance,
16 wet marine and transportation insurance, and title insurance; or

17 (ii) [agents, brokers,] INSURANCE PRODUCERS or policies of a
18 company or group of companies represented by [agents or brokers] INSURANCE
19 PRODUCERS who by contractual agreement represent only that company or group of
20 companies if:

21 1. the business is owned by the company or group of
22 companies; and

23 2. the cancellation of any contractual agreement does not
24 result in the cancellation or refusal to renew any policies.

25 (2) If an insurer intends to cancel a written agreement with an [agent or
26 broker] INSURANCE PRODUCER or intends to refuse a class of renewal business from
27 an [agent or broker] INSURANCE PRODUCER, the insurer shall give the [agent or
28 broker] INSURANCE PRODUCER at least 90 days written notice.

29 (3) Notwithstanding any provision of the agreement to the contrary, the
30 insurer shall continue for at least 2 years after termination of the agency agreement
31 to renew through the [agent or broker] INSURANCE PRODUCER any of the policies
32 that have not been replaced with other insurers as expirations occur.

33 (c) An insurer may not cancel or refuse to renew a policy of the insured
34 because of the termination of the [agent's or broker's] INSURANCE PRODUCER'S
35 contract.

36 (d) Notwithstanding any other provision of this section, an insurer may not
37 cancel or amend a written agreement with an [agent or broker] INSURANCE
38 PRODUCER or refuse to accept business from the [agent or broker] INSURANCE

1 PRODUCER if the cancellation, amendment, or refusal is arbitrary, capricious, unfair,
2 or discriminatory or is based wholly or partly on the race, creed, color, sex, religion,
3 national origin, or place of residency of the [agent or broker] INSURANCE PRODUCER
4 or the applicants or policyholders of the [agent or broker] INSURANCE PRODUCER.

5 (e) If an insurer or [agent] INSURANCE PRODUCER that accepts [brokerage]
6 business FROM AN INSURANCE PRODUCER ACTING ON BEHALF OF AN INSURED OR
7 PROSPECTIVE INSURED rejects the business of [a broker] AN INSURANCE PRODUCER
8 ACTING ON BEHALF OF AN INSURED OR PROSPECTIVE INSURED, the insurer or
9 [agent] INSURANCE PRODUCER shall give to the Commissioner and the [broker]
10 INSURANCE PRODUCER ACTING ON BEHALF OF AN INSURED OR PROSPECTIVE
11 INSURED, on request of the [broker] THAT INSURANCE PRODUCER, the reasons for
12 the rejection in writing.

13 (f) An insurer may not cancel or amend a written agreement with an [agent
14 or broker] INSURANCE PRODUCER about property insurance or casualty insurance
15 because of an adverse loss ratio experience on the [agent's or broker's] INSURANCE
16 PRODUCER'S book of business if:

17 (1) the insurer required the [agent or broker] INSURANCE PRODUCER to
18 submit the application for underwriting approval, all material information on the
19 application was completed, and the [agent or broker] INSURANCE PRODUCER did not
20 omit or alter any information provided by the applicant; or

21 (2) the insurer accepted, without prior approval, policies issued by the
22 [agent or broker] INSURANCE PRODUCER, if all material information on the
23 application for the policy or on the insurer's copy of any policy issued by the [agent or
24 broker] INSURANCE PRODUCER was completed and the [agent or broker]
25 INSURANCE PRODUCER did not omit or alter any information provided by the
26 applicant.

27 27-601.

28 (c) (1) At least 45 days before the date of the proposed cancellation or
29 expiration of the policy, the insurer shall cause to be sent to the insured, by certificate
30 of mailing, a written notice of intention to cancel for a reason other than nonpayment
31 of premium or notice of intention not to renew a policy issued in the State.

32 (2) Notice given to the insured by [a broker or agent] AN INSURANCE
33 PRODUCER on behalf of the insurer is deemed to have been given by the insurer for
34 purposes of this subsection.

35 (3) Notwithstanding paragraph (2) of this subsection, no notice is
36 required under this section if the [agent or broker] INSURANCE PRODUCER has
37 replaced the insurance.

1 27-604.

2 (b) Whenever an insurer intends to increase a premium for a particular policy
3 written in the State by 20% or more, the insurer shall notify the insured and [agent]
4 INSURANCE PRODUCER of the increase.

5 (c) The notice shall be sent by first-class mail to the insured and [agent]
6 INSURANCE PRODUCER at least 45 days before the effective date of the proposed
7 premium increase.

8 27-607.

9 (a) (2) A [qualified agent or qualified broker] LICENSED INSURANCE
10 PRODUCER may provide notice under paragraph (1) of this subsection on behalf of the
11 insurer.

12 27-802.

13 (a) (1) An authorized insurer, its employees, FUND producers, [as defined in
14 § 20-101 of this article,] or [agents] INSURANCE PRODUCERS, who in good faith have
15 cause to believe that insurance fraud has been or is being committed shall report the
16 suspected insurance fraud in writing to the Commissioner, the Fraud Division, or the
17 appropriate federal, State, or local law enforcement authorities.

18 (b) In addition to any protection provided under § 10-618 of the State
19 Government Article, any information, documentation, or other evidence provided
20 under this section by an insurer, its employees, FUND producers, or [agents]
21 INSURANCE PRODUCERS to the Commissioner, the Fraud Division, or a federal, State,
22 or local law enforcement authority in connection with an investigation of suspected
23 insurance fraud is not subject to public inspection for as long as the Commissioner,
24 Fraud Division, or law enforcement authority considers the withholding to be
25 necessary to complete an investigation of the suspected fraud or to protect the person
26 investigated from unwarranted injury.

27 27-911.

28 (a) Each authorized insurer doing business in the State shall accept and honor
29 each request by a policyholder for a change of [agent or change of broker]
30 INSURANCE PRODUCER of record within 30 working days after receipt of the request
31 unless the policyholder withdraws the request in writing.

32 (b) The new [agent or broker] INSURANCE PRODUCER of record must have a
33 current appointment and contract with the authorized insurer before the change of
34 [agent or broker] INSURANCE PRODUCER of record will be effective.

35 (c) (1) Subject to the provisions of paragraph (2) of this subsection, the new
36 [agent or broker] INSURANCE PRODUCER of record shall be paid all commissions
37 payable on the policy effective not later than the next anniversary date of the policy
38 following the effective date of change.

1 (2) The commissions payable under paragraph (1) of this subsection do
2 not include:

3 (i) vested life insurance commissions;

4 (ii) supplemental health insurance commissions; or

5 (iii) commissions or other compensation payable under an insurer's
6 retirement or deferred compensation plan with the [agent or broker] INSURANCE
7 PRODUCER.

8 (d) A request for a change of [agent or broker] INSURANCE PRODUCER of
9 record shall:

10 (1) be in writing; and

11 (2) include:

12 (i) the policyholder's name and address;

13 (ii) the authorized insurer's name and address;

14 (iii) the policy number;

15 (iv) the name and address of the new [agent or broker] INSURANCE
16 PRODUCER of record;

17 (v) the date of the request;

18 (vi) the signature of the policyholder; and

19 (vii) the signature of acceptance by the new [agent or broker]
20 INSURANCE PRODUCER.

21 (e) This section does not require an authorized insurer to:

22 (1) appoint and contract with an [agent or broker] INSURANCE
23 PRODUCER of record;

24 (2) alter an insurer's existing contract with an [agent or broker]
25 INSURANCE PRODUCER which provides for direct compensation in lieu of commission;
26 and

27 (3) require the payment of full commissions to a new [agent or broker]
28 INSURANCE PRODUCER where the original writing [agent or broker] INSURANCE
29 PRODUCER or current [agent or broker] INSURANCE PRODUCER continues to have
30 responsibility for processing and matters relating to the policyholder.

1 27-912.

2 An insurer that accepts a transfer of the insurance business of a group of
3 policyholders from an independent [agent] INSURANCE PRODUCER may treat the
4 policies transferred as renewals and not as new policies for underwriting purposes.

5 **Article - Commercial Law**

6 11-203.

7 This subtitle does not make illegal the activity of:

8 (4) An insurer, insurance [agent, insurance broker] PRODUCER, public
9 adjuster, insurance advisor, or rating organization, to the extent that the activity is
10 subject to regulation by the Commissioner of Insurance of the State or is authorized
11 by the Insurance Article or any other law of the State, including the making of or
12 participating in joint underwriting or joint reinsurance arrangements;

13 12-310.

14 (b) This section does not apply to any commission, dividend, retrospective
15 rating credit, or other consideration received by a licensee or a licensed insurance
16 [agent or broker] PRODUCER who is an officer, director, agent, employee, or affiliate
17 of a licensee on insurance sold under this subtitle in accordance with the applicable
18 provisions of the Insurance Article.

19 12-312.

20 (b) (1) A lender may not require that the insurance be purchased through a
21 particular [broker, agent,] INSURANCE PRODUCER or insurance company.

22 (2) The lender may:

23 (i) Assist an applicant or act with [him] THE APPLICANT in
24 forwarding an application to [a broker or agent] AN INSURANCE PRODUCER; and

25 (ii) Receive and transmit premiums or other identifiable charges
26 for the insurance.

27 13-104.

28 This title does not apply to:

29 (1) The professional services of a certified public accountant, architect,
30 clergyman, professional engineer, lawyer, veterinarian, insurance company
31 authorized to do business in the State, insurance [agent or broker] PRODUCER
32 licensed by the State, Christian Science practitioner, land surveyor, property line
33 surveyor, chiropractor, optometrist, physical therapist, podiatrist, real estate broker,
34 associate real estate broker, or real estate salesperson, or medical or dental
35 practitioner;

1 **Article - Corporations and Associations**

2 11-101.

3 (h) (2) "Investment adviser" does not include:

4 (iii) A lawyer, certified public accountant, engineer, insurance
5 [agent or broker] PRODUCER, or teacher whose performance of investment advisory
6 services is solely incidental to the practice of the profession, provided that the
7 performance of such services is not solely incidental unless:

8 1. The investment advisory services rendered are connected
9 with and reasonably related to the other professional services rendered;

10 2. The fee charged for the investment advisory services is
11 based on the same factors as those used to determine the fee for other professional
12 services; and

13 3. The lawyer, certified public accountant, engineer,
14 insurance [agent or broker] PRODUCER, or teacher does not hold out as an
15 investment advisor;

16 **Article - Labor and Employment**

17 8-209.

18 (a) Work that an insurance [agent or insurance solicitor] PRODUCER
19 performs for payment solely by commission is not covered employment.

20 **Article - Transportation**

21 5-1002.

22 (c) All airport operators in this State shall maintain a roster of aircraft based
23 or hangared at the facility. This roster shall include for each aircraft:

24 (1) The "N" number, type, and model of the aircraft;

25 (2) The name and address of the owner or operator of the aircraft, and
26 the period of time the aircraft has been based or hangared at the facility;

27 (3) The liability insurance policy or binder number;

28 (4) The name of the insurance company shown on the policy; and

29 (5) The name of the [agent or broker] INSURANCE PRODUCER.

1 17-109.

2 (b) The evidence of security shall be submitted to the Administration within
3 30 days of the request on a form prescribed by the Administration and certified by an
4 insurer or [agent] INSURANCE PRODUCER.

5

Chapter 271 of the Acts of 1996

6 [SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall be
7 effective until December 31, 2001 and, at the end of December 31, 2001, with no
8 further action required by the General Assembly, this Act shall be abrogated and of no
9 further force and effect.]

10 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 1-101(d)
11 through (f), (h), (j) through (p), (q), (s) through (u), (w) through (aa), (cc) through (ee),
12 (kk) through (rr), and Section 8-401(g) through (k), and 20-101(l), respectively, of
13 Article - Insurance of the Annotated Code of Maryland be renumbered to be
14 Section(s) 1-101(c) through (e), (g), (h) through (n), (p), (r) through (t), (x) through
15 (bb), (ee) through (gg), (mm) through (tt), and Section 8-401(e) through (i), and
16 20-101(k), respectively.

17 SECTION 3. AND BE IT FURTHER ENACTED, That notwithstanding §
18 10-115(a)(1) of the Insurance Article, the Commissioner by regulation may designate
19 an expiration date for a then-existing insurance producer license other than every
20 other anniversary of the issuance date of the license in order to establish a staggered
21 system of renewals of licenses pursuant to § 10-115(g)(2) of the Insurance Article.

22 SECTION 4. AND BE IT FURTHER ENACTED, That a person who holds a
23 certificate of qualification as a fraternal benefit agent on the effective date of this Act
24 may qualify for a license to act as an insurance producer for life and health insurance
25 without meeting the education, experience, and examination requirements of Title 10,
26 Subtitle 1 of the Insurance Article if the person applies for the license before the
27 expiration of the person's certificate of qualification.

28 SECTION 5. AND BE IT FURTHER ENACTED, That, a person who holds a
29 certificate of qualification as an agent or broker on the effective date of this Act may
30 act as an insurance producer and, in all respects, shall be considered a licensed
31 insurance producer and be subject to the provisions of this Act for the remainder of
32 the term of the person's certificate of qualification. On expiration of the person's
33 certificate of ~~authority~~ qualification, the person may qualify for renewal of an
34 insurance producer license under § 10-115 of the Insurance Article as if the person
35 had held an insurance producer license.

36 SECTION 6. AND BE IT FURTHER ENACTED, That if a person holds a
37 certificate of qualification as an agent or broker that expires on June 30, 2001 and the
38 person fails to timely renew the certificate of qualification, the person may qualify for
39 reinstatement of an insurance producer license under § 10-116.1 of the Insurance
40 Article as if the person had held an insurance producer license.

1 SECTION 7. AND BE IT FURTHER ENACTED, That a person who has
2 completed or partially completed any education, experience, or examination
3 requirement for a certificate of qualification under § 10-104 or § 10-105 of the
4 Insurance Article prior to the effective date of this Act, shall be considered to have
5 completed or partially completed the same requirement for an insurance producer
6 license.

7 SECTION 8. AND BE IT FURTHER ENACTED, That a person who has
8 completed or partially completed any continuing education requirement for renewal
9 of a certificate of qualification under § 10-116 of the Insurance Article prior to the
10 effective date of this Act, shall be considered to have completed or partially completed
11 the same requirement for renewal of an insurance producer license.

12 SECTION 9. AND BE IT FURTHER ENACTED, That the publisher of the
13 Annotated Code of Maryland, subject to the approval of the Department of Legislative
14 Services, shall correct any references throughout the Code to ~~"agent" and "broker", as~~
15 ~~necessary~~ to "agent", "broker", and "certificate of qualification", as necessary to be
16 consistent with this Act.

17 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take
18 effect July 2, 2001.