
By: **Senator Astle**

Introduced and read first time: January 23, 2004

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance - Regulation of Insurance Producers - Written Documentation of**
3 **Appointment**

4 FOR the purpose of altering the condition under which an insurance producer may
5 act on behalf of an insurer; prohibiting an insurance producer from acting on
6 behalf of an insurer unless the insurance producer has received written
7 documentation of the appointment from the insurer; and generally relating to
8 the regulation of insurance producers.

9 BY repealing and reenacting, without amendments,
10 Article - Insurance
11 Section 10-118(a), (b), and (c)
12 Annotated Code of Maryland
13 (2003 Replacement Volume)

14 BY repealing and reenacting, with amendments,
15 Article - Insurance
16 Section 10-118(d)
17 Annotated Code of Maryland
18 (2003 Replacement Volume)

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

21 **Article - Insurance**

22 10-118.

23 (a) In this section, "producer register" means a register of appointed insurance
24 producers who are authorized to sell, solicit, or negotiate contracts of insurance on
25 behalf of an insurer.

26 (b) (1) An insurer authorized to transact the business of insurance in the
27 State shall maintain a producer register.

1 (2) Within 30 days of the insurer appointing an insurance producer, the
2 insurer shall include the following information in the insurer's producer register:

- 3 (i) the insurance producer's name;
- 4 (ii) the license number assigned to the insurance producer by the
5 Commissioner;
- 6 (iii) the date that the insurer appointed the insurance producer; and
- 7 (iv) any additional information that the Commissioner may require.

8 (3) An insurer shall send written documentation of the appointment to
9 the insurance producer.

10 (c) A licensed insurance producer that has been appointed by an insurer shall
11 maintain:

- 12 (1) documentation of the insurer's appointment; and
- 13 (2) a list of the insurers that have appointed the producer.

14 (d) (1) The insurer's producer register and the producer's record relating to
15 an appointment:

- 16 (i) shall be open to inspection and examination by the
17 Commissioner; and
- 18 (ii) may be maintained electronically.

19 (2) An insurance producer may not act on behalf of an insurer unless the
20 insurance producer [is listed on the insurer's producer register] HAS RECEIVED
21 WRITTEN DOCUMENTATION OF THE APPOINTMENT FROM THE INSURER.

22 (3) An insurer may initially accept an application for life insurance,
23 health insurance, or an annuity from an insurance producer who is not appointed by
24 the insurer and is not on the insurer's producer register if, within 30 days of accepting
25 the application, the insurer:

- 26 (i) rejects the application in accordance with § 27-501 of this
27 article; or
- 28 (ii) appoints the insurance producer and enters in the insurer's
29 producer register the information required by subsection (b) of this section.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 October 1, 2004.