

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 147

(Senator Astle)

Finance

Economic Matters

Insurance - Regulation of Insurance Producers - Written Documentation of Appointment

This bill provides that, with limited exceptions, an insurance producer may not act on behalf of an insurer unless the producer has received written documentation of the appointment from the insurer, as opposed to being listed on the insurer's producer register.

Fiscal Summary

State Effect: Enforcement could be handled with the existing budgeted resources of the Maryland Insurance Administration.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Under Chapter 35 of 2003, an insurer must maintain a register of appointed producers who sell, solicit, or negotiate insurance contracts for the insurer. Generally, an insurance producer may not act on behalf of an insurer unless the producer is listed in the insurer's register. An insurer may initially accept an application for life insurance, health insurance, or an annuity from a producer who has not been appointed and who is not in the insurer's register if, within 30 days after accepting the application, the insured rejects the application or appoints the insurer. An insurer must open its register to inspection and examination by the Commissioner and may maintain the register electronically.

Additional Information

Prior Introductions: None.

Cross File: HB 819 (Delegate Love, *et al.*) – Economic Matters.

Information Source(s): Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2004
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