

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 160 (Chairman, Economic Matters Committee)
(By Request – Departmental – Insurance Administration, Maryland)
Economic Matters Finance

Insurance Producers - Continuing Education Requirements

This departmental bill requires an insurance producer who is licensed to sell property and casualty insurance and who sells homeowner's insurance to receive continuing education that directly relates to flood insurance.

The bill terminates September 30, 2007.

Fiscal Summary

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

Local Effect: None.

Small Business Effect: MIA has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. The attached assessment does not reflect amendments to the bill.

Analysis

Current Law: Generally, an insurance producer must receive continuing education as a condition of renewing the producer's license every two years. The Maryland Insurance Commissioner may require up to: (1) 16 hours of continuing education per renewal period if the producer has held a license for less than 25 consecutive years; and (2) eight hours if the producer has held a license for 25 or more consecutive years. The continuing

education must relate to the kind or subdivision of insurance for which the producer holds a license. An insurance producer who holds a license to sell health insurance and who sells long-term care insurance must receive continuing education that directly relates to long-term care insurance.

Chapter 289 of 2004 requires insurance producers who are licensed to sell property and casualty insurance and who sell flood insurance to receive continuing education that directly relates to flood insurance as part of their current continuing education requirements. The new continuing education requirement related to flood insurance must be completed on or before September 30, 2006.

Background: MIA advises that, based on the nature of the complaints it has about the National Flood Insurance Program, the bill's requirement would help insurance producers provide more complete information to homeowner's insurance purchasers on whether flood insurance is also needed.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 24, 2005
mll/ljm Revised - House Third Reader - March 25, 2005

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