

SENATE BILL 701

C3, C4

8lr1953

By: **Senators Jones, Astle, and McFadden**
Introduced and read first time: February 1, 2008
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: February 25, 2008

CHAPTER _____

1 AN ACT concerning

2 **Insurance Producers – Life and Health Insurance Examinations – Annual**
3 **Reports**

4 FOR the purpose of requiring the Maryland Insurance Commissioner or a designee of
5 the Commissioner on or before a certain date each year to prepare and publish a
6 certain report that relates to life and health insurance producer examinations
7 administered during a certain period of time; requiring the report to include
8 certain information about certain examinees in a certain manner; requiring the
9 Commissioner or a designee of the Commissioner on or before a certain date
10 each year to prepare and make available on request a certain report that relates
11 to a certain test form used for certain examinations administered during a
12 certain period of time; requiring the report to show certain information about
13 certain test forms for certain examinees in a certain manner; providing for the
14 termination of this Act; and generally relating to examinations for insurance
15 producers.

16 BY repealing and reenacting, with amendments,
17 Article – Insurance
18 Section 10–109
19 Annotated Code of Maryland
20 (2003 Replacement Volume and 2007 Supplement)

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

23 **Article – Insurance**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 10–109.

2 (a) An individual applicant who otherwise qualifies for a license for life
3 insurance, health insurance, annuities, nonprofit health service plans, dental plan
4 organizations, or health maintenance organizations is entitled to be examined as
5 provided in this section.

6 (b) (1) Each individual applicant must pass a personal written
7 examination to determine:

8 (i) the competence of the applicant as to life insurance, health
9 insurance, or annuities or to any subdivision of them, including contracts for nonprofit
10 health service plans, vision plans, dental plan organizations, and health maintenance
11 organizations; and

12 (ii) the familiarity of the applicant with the applicable laws of
13 the State.

14 (2) Each examination must be graded within 30 days after the date of
15 the examination.

16 (c) An individual applicant who fails an examination may not take another
17 examination until at least 14 days after the date of the last examination that the
18 applicant failed.

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

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

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

23 (3) subject to § 10–105(e) of this subtitle, the educational requirements
24 for an individual applicant to be eligible to take a written examination.

25 **(E) (1) ON OR BEFORE APRIL 1 OF EACH YEAR, THE COMMISSIONER**
26 **OR A DESIGNEE OF THE COMMISSIONER SHALL PREPARE AND PUBLISH A**
27 **REPORT THAT SUMMARIZES STATISTICAL INFORMATION THAT RELATES TO THE**
28 **LIFE AND HEALTH INSURANCE PRODUCER EXAMINATIONS ADMINISTERED**
29 **DURING THE PRECEDING CALENDAR YEAR.**

30 **(2) THE REPORT SHALL INCLUDE THE FOLLOWING INFORMATION**
31 **FOR ALL EXAMINEES COMBINED AND SEPARATELY BY RACE OR ETHNICITY,**
32 **GENDER, RACE OR ETHNICITY WITHIN GENDER, EDUCATIONAL LEVEL, AND**
33 **NATIVE LANGUAGE:**

- 1 (I) THE TOTAL NUMBER OF EXAMINEES;
- 2 (II) THE PERCENTAGE AND NUMBER OF EXAMINEES WHO
- 3 PASSED THE EXAMINATION;
- 4 (III) THE MEAN SCALED SCORES ON THE EXAMINATION; AND
- 5 (IV) THE STANDARD DEVIATION OF SCALED SCORES ON THE
- 6 EXAMINATION.

7 (F) (1) ON OR BEFORE APRIL 1 OF EACH YEAR, THE COMMISSIONER
 8 OR A DESIGNEE OF THE COMMISSIONER SHALL PREPARE AND MAKE AVAILABLE
 9 ON REQUEST A REPORT THAT SUMMARIZES STATISTICAL INFORMATION THAT
 10 RELATES TO EACH LIFE AND HEALTH INSURANCE PRODUCER TEST FORM USED
 11 FOR EXAMINATIONS ADMINISTERED DURING THE PRECEDING CALENDAR YEAR.

12 (2) THE REPORT SHALL SHOW, FOR EACH TEST FORM, FOR ALL
 13 EXAMINEES COMBINED AND SEPARATELY FOR AFRICAN AMERICAN EXAMINEES,
 14 WHITE EXAMINEES, AMERICAN INDIAN EXAMINEES, ASIAN EXAMINEES,
 15 HISPANIC EXAMINEES, AND OTHER EXAMINEES, THE CORRECT ANSWER RATES
 16 AND CORRELATIONS.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 18 October 1, 2008. It shall remain effective for a period of 3 years and, at the end of
 19 September 30, 2011, with no further action required by the General Assembly, this Act
 20 shall be abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.