

**Department of Legislative Services**  
Maryland General Assembly  
2009 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 160

(Chair, Economic Matters Committee)(By Request -  
Departmental - Insurance Administration, Maryland)

Economic Matters

Finance

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**Insurance - Fraudulent Acts - Insurance Producers and Adjusters**

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This departmental bill makes it a fraudulent insurance act for anyone subject to regulation as an insurance professional to represent to the public that the person is an insurance producer or public adjuster in the State if the person has not received the appropriate license or otherwise complied with regulatory provisions for insurance professionals (under Title 10 of the Insurance Article).

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**Fiscal Summary**

**State Effect:** The Maryland Insurance Administration (MIA) can handle the bill's requirements with existing budgeted resources.

**Local Effect:** The bill does not directly affect local finances or operations.

**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.)

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**Analysis**

**Current Law:** It is a fraudulent insurance act for a person to act as or represent to the public that the person is an insurance producer or adjuster in the State if the person has not received the appropriate license or otherwise complied with the statutory licensing requirements of insurance producers.

It is a fraudulent insurance act for an insurance producer to:

- solicit or take application for, procure, or place for others insurance for which the producer does not have an appropriate license;
- knowingly pay a commission or similar fee to an unlicensed title insurance producer; or
- intentionally to fail to report to an insurer the exact amount of consideration charged as a premium for an insurance contract, if different from the policy premium.

Title 10 of the Insurance Article codifies the licensing requirements for all insurance professionals, including insurance producers, advisers, bail bondsmen, public appraisers, vehicle damage adjusters and appraisers, and motor vehicle rental companies.

**Background:** MIA is an independent State agency that regulates Maryland's \$26 billion insurance industry by monitoring insurer solvency and compliance; investigating consumer complaints; reviewing insurance rates; educating consumers; and licensing approximately 1,500 insurance companies and 110,000 insurance producers.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 2, 2009  
ncs/ljm Revised - House Third Reader - March 19, 2009

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Insurance – Fraudulent Acts – Insurance Producers and Adjusters

BILL NUMBER: HB 160

PREPARED BY: Maryland Insurance Administration

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.