

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 616
Finance

(Senator Glassman, *et al.*)

Economic Matters

Insurance Producers - Continuing Education - Funeral Directors and Morticians

This bill prohibits the Maryland Insurance Commissioner from requiring an insurance producer to receive more than 16 hours of continuing education units per renewal period if the insurance producer is a licensed funeral director or licensed mortician who (1) sells only life insurance policies or annuity contracts that fund a pre-need contract; and (2) is not a viatical settlement broker.

Fiscal Summary

State Effect: The bill does not directly affect State finances or operations.

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

Small Business Effect: None.

Analysis

Current Law: Morticians and funeral directors are licensed by the State Board of Morticians and Funeral Directors. The board also regulates pre-need contracts executed by licensees. A licensed mortician, licensed funeral director, and holder of a surviving spouse license must complete a minimum of 12 continuing education units per renewal period of course work approved by the board. For a continuing education course to be approved by the board, the course must contribute directly to the professional competency of the licensee; be related to the practice of mortuary science; be conducted by individuals considered experts in the subject matter; and be accompanied by a paper, manual, or outline which substantially describes the subject matter of the program.

For license renewal periods before October 1, 2009, the Insurance Commissioner may not require an individual holding an insurance producer's license to complete more than

16 hours of continuing education per renewal period if the producer has held a license for less than 25 years. Under Chapter 331 of 2008, for licenses renewed on or after October 1, 2009, the continuing education requirements may increase as the Insurance Commissioner may require an insurance producer to complete up to 24 hours of continuing education per renewal period. However, the Commissioner may require only up to 16 hours of continuing education per renewal period for title insurance producer licensees, and only up to 8 hours per renewal period if an insurance producer has held a license for 25 or more consecutive years. The following individuals are exempt from the continuing education requirements:

- employees of a health maintenance organization (HMO) employed solely to solicit membership in the HMO under a contract between the HMO and the Department of Health and Mental Hygiene;
- attorneys who are qualified as title insurance producers and do not hold any other type of insurance license;
- individuals holding a license to act only as a limited line credit insurance producer; and
- insurance producers holding a limited lines license in any type of insurance designated by the Commissioner.

A viatical settlement broker is a licensed insurance producer who, on behalf of a viator and for a fee, commission, or other valuable consideration, offers or attempts to negotiate viatical settlement contracts between a viator and one or more viatical settlement providers.

Background: The bill retains the 16-hour continuing education requirement for funeral directors and morticians who sell insurance policies or annuities to fund pre-need contracts. Without the bill, the Commissioner could require funeral directors and morticians to take up to 24 hours of continuing education units per renewal period beginning October 1, 2009.

As of February 2009, 883 morticians and 16 funeral directors held licenses issued by the State Board of Morticians and Funeral Directors.

In October 2006, the board's Continuing Education Committee began authorizing licensees to earn pre-need continuing education courses offered by approved program sponsors. The board is in the process of approving, internally, regulations for submission to the legislature's Administrative, Executive, and Legislative Review Committee. The proposed regulations would require that one of the 12 continuing education courses for renewal be devoted to pre-need education.

Additional Information

Prior Introductions: None.

Cross File: HB 246 (Delegate Harrison) - Economic Matters.

Information Source(s): Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2009
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