

HOUSE BILL 60

C4, C3

6lr0096

(PRE-FILED)

By: **Chair, Economic Matters Committee (By Request – Departmental – Maryland Insurance Administration)**

Requested: September 29, 2015

Introduced and read first time: January 13, 2016

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Certificate of Qualification, Licensing, and Registration –**
3 **Electronic Means**

4 FOR the purpose of altering the renewal date and process for renewing certificates of
5 qualification of surplus lines brokers; establishing the expiration date of a surplus
6 lines broker's certificate of qualification held by an individual; authorizing the
7 Maryland Insurance Commissioner to send a certain notice relating to renewal of
8 the certificate of qualification of a surplus lines broker, the license of a certain
9 insurance producer, an insurance adviser, and a motor club, and the registration of
10 a motor club representative at the electronic mail address of the holder of record;
11 altering the contents of certain notices; authorizing the submission of certain
12 renewal applications in a certain electronic format; establishing when certain
13 renewal applications submitted electronically are considered made in a timely
14 manner; authorizing the Commissioner to adopt certain regulations; requiring a
15 certain insurance producer licensee to file with the Commissioner a change in the
16 licensee's electronic mail address; altering the expiration date of an insurance
17 adviser's license; making stylistic and conforming changes; providing for a delayed
18 effective date; and generally relating to the renewal of certificates of qualification,
19 licenses, and registrations under State insurance laws.

20 BY repealing and reenacting, with amendments,
21 Article – Insurance
22 Section 3–316, 10–115, 10–117, 10–211, 26–206, and 26–305
23 Annotated Code of Maryland
24 (2011 Replacement Volume and 2015 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Insurance

3–316.

(a) Unless a certificate of qualification is renewed for a 2–year term as provided in this section, the certificate of qualification expires [on the first June 30 that comes after its effective date] **EVERY OTHER YEAR ON THE DATE STATED ON THE CERTIFICATE OF QUALIFICATION.**

(b) At least 1 month before a certificate of qualification expires, the Commissioner shall [mail] **SEND** to the holder of the certificate of qualification, at the last known address **OR ELECTRONIC MAIL ADDRESS** of the holder[:

(1) a renewal application form; and

(2)] **ON RECORD** a notice that states:

(1) THE PROCESS FOR RENEWING THE CERTIFICATE OF QUALIFICATION;

[(i)] (2) the date by which the Commissioner must receive the renewal application [for the renewal to be issued and mailed before the certificate of qualification expires]; and

[(ii)] (3) the amount of the renewal fee.

(c) Before a certificate of qualification expires, the holder periodically may renew it for an additional 2–year term, if the holder:

(1) otherwise is entitled to a certificate of qualification;

(2) submits to the Commissioner a renewal application:

(I) on the form that the Commissioner provides; **OR**

(II) IN AN ELECTRONIC FORMAT THAT THE COMMISSIONER APPROVES;

(3) pays to the Commissioner the renewal fee required by § 2–112 of this article; and

(4) complies with the bond requirement of § 3–313 of this subtitle.

(D) FOR AN INDIVIDUAL, A CERTIFICATE OF QUALIFICATION RENEWED UNDER THIS SECTION SHALL HAVE AN EXPIRATION DATE THAT IS THE LAST DAY OF

1 THE MONTH IN WHICH THE HOLDER OF THE CERTIFICATE OF QUALIFICATION WAS
2 BORN.

3 ~~[(d)]~~ (E) (1) ~~[An] IF MAILED,~~ AN application for renewal of a certificate of
4 qualification shall be considered made in a timely manner if it is postmarked on or before
5 ~~[June 30 of the year of renewal]~~ THE EXPIRATION DATE OF THE CERTIFICATE OF
6 QUALIFICATION.

7 (2) IF SUBMITTED ELECTRONICALLY, AN APPLICATION FOR
8 RENEWAL OF A CERTIFICATE OF QUALIFICATION SHALL BE CONSIDERED MADE IN A
9 TIMELY MANNER IF, ON OR BEFORE THE EXPIRATION DATE OF THE CERTIFICATE OF
10 QUALIFICATION, THE APPLICATION:

11 (I) IS ADDRESSED PROPERLY OR OTHERWISE DIRECTED
12 PROPERLY TO AN INFORMATION PROCESSING SYSTEM THAT THE ADMINISTRATION
13 HAS DESIGNATED OR USES FOR THE PURPOSE OF RECEIVING ELECTRONIC
14 APPLICATIONS AND FROM WHICH THE ADMINISTRATION IS ABLE TO RETRIEVE THE
15 APPLICATION;

16 (II) IS IN A FORM CAPABLE OF BEING PROCESSED BY THAT
17 SYSTEM; AND

18 (III) 1. ENTERS AN INFORMATION PROCESSING SYSTEM
19 OUTSIDE THE CONTROL OF THE SENDER OR OF A PERSON THAT SENT THE
20 ELECTRONIC APPLICATION ON BEHALF OF THE SENDER; OR

21 2. ENTERS A REGION OF THE INFORMATION
22 PROCESSING SYSTEM DESIGNATED OR USED BY THE ADMINISTRATION THAT IS
23 UNDER THE CONTROL OF THE ADMINISTRATION OR AN AGENT OF THE
24 ADMINISTRATION.

25 ~~[(e)]~~ (F) The Commissioner shall renew the certificate of qualification of each
26 holder who meets the requirements of this section.

27 (G) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS
28 SECTION.

29 10-115.

30 (a) (1) Licenses expire every other year on the date stated on the license unless
31 renewed as provided in this section.

1 (2) If a license expires under paragraph (1) of this subsection, the
2 appointments held by the insurance producer shall be terminated as of the day of the
3 expiration of the license.

4 (b) At least 1 month before a license expires, the Commissioner shall [mail] SEND
5 to the holder of the license, at the last known address **OR ELECTRONIC MAIL ADDRESS** of
6 the holder[:

7 (1) a renewal application form; and

8 (2)] **ON RECORD** a notice that states:

9 **(1) THE PROCESS FOR RENEWING THE LICENSE;**

10 **[(i)] (2)** the date by which the Commissioner must receive the
11 renewal application [for the renewal to be issued and mailed before the license expires];
12 and

13 **[(ii)] (3)** the amount of the renewal fee.

14 (c) Subject to subsection (g) of this section, before a license expires, the holder of
15 the license may renew it for an additional 2-year term, if the holder:

16 (1) otherwise is entitled to a license;

17 (2) files with the Commissioner a renewal application:

18 (i) on the form that the Commissioner provides; or

19 (ii) in an electronic format that the Commissioner approves;

20 (3) completes the continuing education requirements established under §
21 10–116 of this subtitle; and

22 (4) pays to the Commissioner the renewal fee required by § 2–112 of this
23 article.

24 (d) A license renewed under this section shall have an expiration date that is the
25 last day of the month in which the holder of the license was born.

26 (e) (1) If mailed, an application for renewal of a license shall be considered
27 made in a timely manner if it is postmarked on or before the expiration date of the license.

28 (2) If submitted electronically, an application for renewal **OF A LICENSE**
29 shall be considered made in a timely manner if, on or before the expiration date of the
30 license, the application:

1 (i) is addressed properly or otherwise directed properly to an
2 information processing system that the Administration has designated or uses for the
3 purpose of receiving electronic applications and from which the Administration is able to
4 retrieve the application;

5 (ii) is in a form capable of being processed by that system; and

6 (iii) 1. enters an information processing system outside the
7 control of the sender or of a person that sent the electronic application on behalf of the
8 sender; or

9 2. enters a region of the information processing system
10 designated or used by the Administration that is under the control of the Administration
11 or an agent of the Administration.

12 (f) (1) The Commissioner shall renew the license of each holder who meets the
13 requirements of this section.

14 (2) If the holder of a license complies with subsections (b) and (c) of this
15 section before the license expires, the license remains in effect until the decision of the
16 Commissioner regarding the application for renewal is final.

17 (g) (1) A license is considered renewed for purposes of this subsection if the
18 license is issued to a person for the period immediately following a period for which the
19 person previously possessed the same or a substantially similar license.

20 (2) Before a license may be renewed under this section, the Commissioner
21 shall verify through the Office of the Comptroller that the applicant has paid all undisputed
22 taxes and unemployment insurance contributions payable to the Comptroller or the
23 Secretary of Labor, Licensing, and Regulation or that the applicant has provided for
24 payment in a manner satisfactory to the unit responsible for collection.

25 (h) The Commissioner may adopt regulations to:

26 (1) carry out this section; and

27 (2) develop a staggered system of renewals for licenses of insurance
28 producers.

29 10–117.

30 (a) To change, add to, or delete from a license, the insurance producer shall file
31 with the Commissioner in the form that the Commissioner requires the change or addition
32 to or deletion from the license.

1 (b) (1) A licensee shall file with the Commissioner by any means acceptable to
2 the Commissioner a change in legal name, trade name, **ELECTRONIC MAIL ADDRESS**, or
3 address within 30 days of the change.

4 (2) If a licensee fails to timely file with the Commissioner a change in legal
5 name, trade name, **ELECTRONIC MAIL ADDRESS**, or address, the licensee is in violation
6 of § 10–126(a)(1) of this subtitle.

7 10–211.

8 (a) A license expires [at the end of every other June 30 unless it is renewed for a
9 2–year term] **EVERY OTHER YEAR ON THE DATE STATED ON THE LICENSE UNLESS**
10 **RENEWED** as provided in this section.

11 (b) At least 1 month before a license expires, the Commissioner shall [mail] **SEND**
12 to the holder of the license, at the last known address **OR ELECTRONIC MAIL ADDRESS** of
13 the holder[:

14 (1) a renewal application form; and

15 (2)] **ON RECORD** a notice that states:

16 **(1) THE PROCESS FOR RENEWING THE LICENSE;**

17 [(i)] **(2)** the date by which the Commissioner must receive the
18 renewal application [for the renewal to be issued and mailed before the license expires];
19 and

20 [(ii)] **(3)** the amount of the renewal fee.

21 (c) Before a license expires, the holder of the license periodically may renew it for
22 an additional 2–year term, if the holder:

23 (1) otherwise is entitled to a license;

24 (2) files with the Commissioner a renewal application:

25 **(I)** on the form that the Commissioner provides; **OR**

26 **(II) IN AN ELECTRONIC FORMAT THAT THE COMMISSIONER**
27 **APPROVES;**

28 (3) pays to the Commissioner the renewal fee required by § 2–112 of this
29 article;

1 (4) is in compliance with the bond requirement of § 10–206 of this subtitle;
2 and

3 (5) if the Commissioner determines that an examination is advisable to
4 determine the trustworthiness or competence of a holder, passes an examination given by
5 the Commissioner.

6 **(D) A LICENSE RENEWED UNDER THIS SECTION SHALL HAVE AN**
7 **EXPIRATION DATE THAT IS THE LAST DAY OF THE MONTH IN WHICH THE HOLDER OF**
8 **THE LICENSE WAS BORN.**

9 **[(d)] (E) (1) [An] IF MAILED, AN** application for renewal of a license shall
10 be considered made in a timely manner if it is postmarked on or before [June 30 of the year
11 of renewal] **THE EXPIRATION DATE OF THE LICENSE.**

12 **(2) IF SUBMITTED ELECTRONICALLY, AN APPLICATION FOR**
13 **RENEWAL OF A LICENSE SHALL BE CONSIDERED MADE IN A TIMELY MANNER IF, ON**
14 **OR BEFORE THE EXPIRATION DATE OF THE LICENSE, THE APPLICATION:**

15 **(I) IS ADDRESSED PROPERLY OR OTHERWISE DIRECTED**
16 **PROPERLY TO AN INFORMATION PROCESSING SYSTEM THAT THE ADMINISTRATION**
17 **HAS DESIGNATED OR USES FOR THE PURPOSE OF RECEIVING ELECTRONIC**
18 **APPLICATIONS AND FROM WHICH THE ADMINISTRATION IS ABLE TO RETRIEVE THE**
19 **APPLICATION;**

20 **(II) IS IN A FORM CAPABLE OF BEING PROCESSED BY THAT**
21 **SYSTEM; AND**

22 **(III) 1. ENTERS AN INFORMATION PROCESSING SYSTEM**
23 **OUTSIDE THE CONTROL OF THE SENDER OR OF A PERSON THAT SENT THE**
24 **ELECTRONIC APPLICATION ON BEHALF OF THE SENDER; OR**

25 **2. ENTERS A REGION OR THE INFORMATION**
26 **PROCESSING SYSTEM DESIGNATED OR USED BY THE ADMINISTRATION THAT IS**
27 **UNDER THE CONTROL OF THE ADMINISTRATION OR AN AGENT OF THE**
28 **ADMINISTRATION.**

29 **[(e)] (F) (1)** The Commissioner shall renew the license of each holder who
30 meets the requirements of this section.

31 (2) If the holder of a license files an application for renewal before the
32 license expires, the license shall remain in effect until:

33 (i) the Commissioner issues a renewal license; or

1 (ii) 5 days after the Commissioner refuses to renew the license and
2 gives notice of the refusal to the holder.

3 (G) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS
4 SECTION.

5 26–206.

6 (a) A license expires on the first December 31 after its effective date unless it is
7 renewed as provided in this section.

8 (b) At least 1 month before a license expires, the Commissioner shall [mail] SEND
9 to the licensee, at the last known address of the licensee[:

10 (1) a renewal application form; and

11 (2)] OR ELECTRONIC MAIL ADDRESS OF THE HOLDER ON RECORD a
12 notice that states:

13 [(i) the date on which the current license expires;

14 (ii)] (1) THE PROCESS FOR RENEWING THE LICENSE;

15 (2) the date by which the Commissioner must receive the renewal
16 application [for the renewal to be issued and mailed before the license expires]; and

17 [(iii)] (3) the amount of the renewal fee.

18 (c) Before a license expires, the licensee may renew it for an additional 1–year
19 term if the holder:

20 (1) otherwise is entitled to a license;

21 (2) files with the Commissioner a renewal application:

22 (I) on the form that the Commissioner provides; OR

23 (II) IN AN ELECTRONIC FORMAT THAT THE COMMISSIONER
24 APPROVES;

25 (3) files with the Commissioner the fees to be charged to members;

26 (4) provides a financial statement as required under § 26–203(c)(3) of this
27 subtitle; and

1 (5) pays to the Commissioner a renewal fee of \$100.

2 (d) The Commissioner shall renew the license of each licensee that meets the
3 requirements of this section.

4 26–305.

5 (a) A registration expires on the first August 31 after its effective date unless it
6 is renewed as provided in this section.

7 (b) At least 1 month before a registration expires, the Commissioner shall [mail]
8 **SEND** to the licensee, at the last known address of the licensee[:

9 (1) a renewal application form; and

10 (2)] **OR ELECTRONIC MAIL ADDRESS OF THE LICENSEE ON RECORD** a
11 notice that states:

12 [(i) the date on which the current registration expires;]

13 **(1) THE PROCESS FOR RENEWING THE REGISTRATION;**

14 [(ii)] **(2)** the date by which the Commissioner must receive the
15 renewal application [for the renewal to be issued and mailed before the registration
16 expires]; and

17 [(iii)] **(3)** the amount of the renewal fee.

18 (c) Before a registration expires, the licensee may renew the registration of a
19 representative for an additional 1–year term if:

20 (1) the representative otherwise is entitled to a registration;

21 (2) the licensee files with the Commissioner a renewal application:

22 **(I)** on the form that the Commissioner provides; **OR**

23 **(II) IN AN ELECTRONIC FORMAT THAT THE COMMISSIONER**
24 **APPROVES;** and

25 (3) the licensee pays to the Commissioner a registration renewal fee of \$2.

26 (d) The Commissioner shall renew the registration of a representative if the
27 licensee and representative meet the requirements of this section.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 January 1, 2017.