

# SENATE BILL 75

C4

6lr0093

(PRE-FILED)

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

Requested: September 29, 2015

Introduced and read first time: January 13, 2016

Assigned to: Finance

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Committee Report: Favorable

Senate action: Adopted

Read second time: January 19, 2016

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Insurance – Public Adjusters – Licensing**

3 FOR the purpose of repealing certain employment requirements for certain public  
4 adjusters; providing for certain initial licensing fees for public adjusters; authorizing  
5 renewal notification by e-mail for certain public adjuster licenses; altering the  
6 renewal date of certain public adjuster licenses; establishing certain continuing  
7 education requirements for renewal of certain public adjuster licenses; authorizing  
8 the Maryland Insurance Commissioner to waive continuing education requirements  
9 under certain circumstances; providing for the satisfaction of certain continuing  
10 education requirements by nonresident license holders under certain circumstances;  
11 providing for submission by electronic application for renewal of certain public  
12 adjuster licenses; authorizing the Commissioner to adopt certain regulations;  
13 establishing reinstatement requirements for certain public adjusters; providing for  
14 a delayed effective date; and generally relating to licensing of public adjusters.

15 BY repealing and reenacting, with amendments,

16 Article – Insurance

17 Section 10–404, 10–408, and 10–408.1

18 Annotated Code of Maryland

19 (2011 Replacement Volume and 2015 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

21 That the Laws of Maryland read as follows:

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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.



## Article – Insurance

10–404.

(a) To qualify for a license, an applicant must be:

(1) an individual who meets the requirements of subsection (b) of this section; or

(2) a business entity that meets the requirements of subsection (c) of this section.

(b) (1) An individual applicant must be trustworthy and competent to transact business as a public adjuster so as to safeguard the interests of the public.

(2) [An individual applicant must have been employed regularly by the Administration as an employee or by an insurer, adjuster, insurance producer or public adjuster for a period totaling at least 1 year:

(i) during the 5 years immediately preceding the date of application; or

(ii) for a member of the U.S. armed forces, during the 5 years immediately:

1. preceding the date of entrance into the armed forces; or

2. after discharge.

(3) Except as otherwise provided in this subsection, an individual applicant shall:

(i) pass a written examination given by the Commissioner under this subtitle in order to determine the competency of the applicant to act as a public adjuster; AND

(ii) pay the [application] LICENSE fee required by § 2–112 of this article[; and

(iii) after receiving notification that the applicant has passed the examination or is otherwise eligible to be licensed, pay the applicable license fee required by § 2–112 of this article].

1            [(4)] (3)        The examination requirement of paragraph [(3)] (2) of this  
2 subsection does not apply to an individual who was licensed as a public adjuster in the  
3 State on June 30, 1985.

4            [(5)] (4)        An individual applicant who fails an examination may not take  
5 another examination until at least 14 days after the date of the last examination that the  
6 applicant failed.

7            (c)        A business entity applicant must:

8                    (1)        be trustworthy and competent to transact business as a public adjuster  
9 so as to safeguard the interests of the public;

10                    (2)        employ one or more individual licensed public adjusters; and

11                    (3)        pay the applicable license fee required by § 2-112 of this article.

12        10-408.

13            (a)        A license expires [at the end of every other June 30 unless it is renewed for a  
14 2-year term as provided in this section] **EVERY OTHER YEAR ON THE DATE STATED ON**  
15 **THE LICENSE UNLESS RENEWED AS PROVIDED IN THIS SECTION.**

16            (b)        At least 1 month before a license expires, the Commissioner shall [mail] **SEND**  
17 to the holder of the license, at the last known address **OR E-MAIL ADDRESS** of the holder  
18 **ON RECORD**[:

19                    (1)        a renewal application form; and

20                    (2)]        a notice that states:

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

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

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

25            (c)        Before a license expires, the holder of the license may renew it for an  
26 additional 2-year term, if the holder:

27                    (1)        otherwise is entitled to a license;

28                    (2)        files with the Commissioner a renewal application [on the form that the  
29 Commissioner provides]:

1 (I) ON THE FORM THAT THE COMMISSIONER PROVIDES; OR

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

4 (3) COMPLETES THE CONTINUING EDUCATION REQUIREMENTS  
5 UNDER SUBSECTION (E) OF THIS SECTION; and

6 [(3)] (4) pays to the Commissioner the renewal fee required by § 2-112 of  
7 this article.

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

11 (E) (1) THE COMMISSIONER SHALL REQUIRE A PUBLIC ADJUSTER WHO  
12 IS NOT A BUSINESS ENTITY TO RECEIVE CONTINUING EDUCATION AS A CONDITION  
13 OF RENEWING A LICENSE OF THE PUBLIC ADJUSTER.

14 (2) THE PUBLIC ADJUSTER SHALL SUCCESSFULLY COMPLETE 24  
15 CREDIT HOURS OF APPROVED CONTINUING EDUCATION FOR EACH 2-YEAR LICENSE  
16 PERIOD AS A CONDITION FOR LICENSE RENEWAL UNLESS THE COMMISSIONER  
17 MODIFIES THE REQUIREMENT BY REGULATION.

18 (3) OF THE REQUIRED HOURS OF CONTINUING EDUCATION  
19 REQUIRED FOR A RENEWAL PERIOD UNDER PARAGRAPH (2) OF THIS SUBSECTION,  
20 AT LEAST 3 HOURS SHALL RELATE DIRECTLY TO ETHICS.

21 (4) THE COMMISSIONER MAY GRANT A WAIVER TO A PUBLIC  
22 ADJUSTER WHO HAS REQUESTED A WAIVER FOR REASONS THAT THE  
23 COMMISSIONER DETERMINES WARRANT THE WAIVER.

24 (5) THIS SUBSECTION MAY NOT APPLY TO A HOLDER OF A LICENSE  
25 WHO HAS NOT BEEN LICENSED FOR 1 FULL YEAR BEFORE THE END OF THE  
26 APPLICABLE CONTINUING EDUCATION PERIOD.

27 (F) A NONRESIDENT LICENSE HOLDER SHALL BE DEEMED TO HAVE MET  
28 THE CONTINUING EDUCATION REQUIREMENTS OF THIS SECTION IF:

29 (1) THE NONRESIDENT LICENSE HOLDER SATISFIES THE CONTINUING  
30 EDUCATION REQUIREMENTS OF THE HOME STATE OF THE NONRESIDENT LICENSE  
31 HOLDER; AND

1           **(2) THE HOME STATE OF THE NONRESIDENT LICENSE HOLDER**  
2 **ALLOWS A PUBLIC ADJUSTER WHO IS A RESIDENT OF THIS STATE TO SATISFY THE**  
3 **CONTINUING EDUCATION REQUIREMENTS OF THE HOME STATE ON THE SAME BASIS**  
4 **BY MEETING THE CONTINUING EDUCATION REQUIREMENTS OF THIS STATE.**

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

8           **(2) IF SUBMITTED ELECTRONICALLY, AN APPLICATION FOR**  
9 **RENEWAL SHALL BE CONSIDERED MADE IN A TIMELY MANNER IF, ON OR BEFORE**  
10 **THE EXPIRATION DATE OF THE LICENSE, 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)] (H) (1)** The Commissioner shall renew the license of each holder who  
26 meets the requirements of this section.

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

29           **(i)** the Commissioner issues a renewal license; or

30           **(ii)** 5 days after the Commissioner refuses in writing to renew the  
31 license and serves notice of the refusal on the holder.

32           **(I) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS**  
33 **SECTION.**

1 10-408.1.

2 (a) For up to 1 year after the expiration date, a person whose public adjuster's  
3 license has expired may reinstate the expired license by:

4 (1) filing with the Commissioner the appropriate reinstatement  
5 application; [and]

6 (2) paying to the Commissioner the applicable reinstatement fee required  
7 under subsection (b) of this section; AND

8 **(3) SUBMITTING PROOF OF COMPLETION OF THE CONTINUING**  
9 **EDUCATION REQUIREMENTS IN § 10-408 OF THIS SUBTITLE.**

10 (b) (1) The fee for a reinstatement under this section shall be:

11 (i) the amount charged for a full renewal period for the type of  
12 license held by the person seeking the reinstatement; and

13 (ii) a reinstatement fee of \$100.

14 (2) The Commissioner may limit the reinstatement fee to the amount of the  
15 renewal fee in cases where the reinstatement applicant did not make timely renewal  
16 because of military service, temporary incapacity, hospitalization, or other hardship.

17 (c) A person whose public adjuster's license has expired is prohibited from acting  
18 as a public adjuster until the effective date of reinstatement of the license.

19 (d) (1) If a person applies for reinstatement of an expired license within 60  
20 days after the license expired, the Commissioner shall reinstate the license retroactively,  
21 with the reinstatement effective on the date that the person's license expired.

22 (2) If a person applies for reinstatement of an expired license more than 60  
23 days after the license expired, the Commissioner shall reinstate the person's license  
24 prospectively, with the reinstatement effective on the date that the license is reinstated.

25 (e) A person who does not comply with subsection (a) of this section on or before  
26 1 year after the expiration date shall apply for a license under § 10-405 of this subtitle and  
27 meet the requirements specified by the Commissioner in regulation.

28 (f) The Commissioner may adopt regulations to carry out this section.

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