

Chapter 84

(House Bill 60)

AN ACT concerning

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

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

BY repealing and reenacting, with amendments,

Article – Insurance

Section 3–316, 10–115, 10–117, 10–211, 26–206, and 26–305

Annotated Code of Maryland

(2011 Replacement Volume and 2015 Supplement)

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

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

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

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

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

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

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

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

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

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

10-115.

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

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

(b) At least 1 month before a license expires, the Commissioner shall **[mail] SEND** to the holder of the license, 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 LICENSE;**

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

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

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

(1) otherwise is entitled to a license;

(2) files with the Commissioner a renewal application:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) The Commissioner may adopt regulations to:

(1) carry out this section; and

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

10–117.

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

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

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

10–211.

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

(b) At least 1 month before a license expires, the Commissioner shall [mail] **SEND** to the holder of the license, 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 LICENSE;

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

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

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

(1) otherwise is entitled to a license;

(2) files with 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;

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

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

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

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

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

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

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

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

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

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

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

(i) the Commissioner issues a renewal license; or

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

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

26–206.

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

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

(1) a renewal application form; and

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

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

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

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

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

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

(1) otherwise is entitled to a license;

(2) files with the Commissioner a renewal application:

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

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

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

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

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

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

26–305.

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

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

(1) a renewal application form; and

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

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

(1) THE PROCESS FOR RENEWING THE REGISTRATION;

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

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

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

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

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

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

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

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

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

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

Approved by the Governor, April 12, 2016.