

SENATE BILL 29

C4

9lr0068

(PRE-FILED)

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

Requested: October 15, 2018

Introduced and read first time: January 9, 2019

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Licensure of Insurance Producers and Public Adjusters –**
3 **Continuing Education Requirements**

4 FOR the purpose of requiring insurance producers and public adjusters to complete the
5 continuing education required under certain provisions of law not later than a
6 certain number of days before the expiration of the license; providing for a delayed
7 effective date; and generally relating to the licensure of insurance producers and
8 public adjusters.

9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 10–116 and 10–408
12 Annotated Code of Maryland
13 (2017 Replacement Volume and 2018 Supplement)

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

16 **Article – Insurance**

17 10–116.

18 (a) (1) Subject to subsections (b) and (c) of this section, the Commissioner shall
19 require an insurance producer to receive continuing education as a condition of renewing
20 the license of the insurance producer.

21 **(2) AN INSURANCE PRODUCER SHALL COMPLETE THE CONTINUING**
22 **EDUCATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION NOT LATER**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 THAN 30 DAYS BEFORE THE EXPIRATION DATE OF THE INSURANCE PRODUCER'S
2 LICENSE.

3 [(2)] (3) (i) The Commissioner may not require an individual who
4 holds a license to receive more than 24 hours of continuing education per renewal period.

5 (ii) If the individual holds a title insurance producer license, the
6 Commissioner may not require the insurance producer to receive more than 16 hours of
7 continuing education per renewal period.

8 (iii) If an insurance producer has held a license for 25 or more
9 consecutive years as of October 1, 2008, the Commissioner may not require the insurance
10 producer to receive more than 8 hours of continuing education per renewal period.

11 (iv) The Commissioner may not require an insurance producer to
12 receive more than 16 hours of continuing education in a renewal period if the insurance
13 producer is also a licensed funeral director or licensed mortician who:

14 1. sells only life insurance policies or annuity contracts that
15 fund a pre-need contract as defined in § 7-101 of the Health Occupations Article; and

16 2. is not a viatical settlement broker as defined in § 8-601 of
17 this article.

18 (v) Of the required hours of continuing education per renewal period
19 required under subparagraphs (i), (ii), (iii), and (iv) of this paragraph, at least 3 hours shall
20 relate directly to ethics.

21 [(3)] (4) Subject to paragraph [(4)] (5) of this subsection, an insurance
22 producer may satisfy the continuing education requirements of this subsection by
23 submitting to the Commissioner or Commissioner's designee:

24 (i) proof that the insurance producer has completed the required
25 hours of continuing education for the applicable renewal period; or

26 (ii) proof that the insurance producer has completed at least 8 hours
27 of continuing education for the applicable renewal period and an affidavit that, over the
28 previous 25 consecutive years, the insurance producer continually:

29 1. has held a license in the State; and

30 2. has been employed in the selling of insurance in the State.

31 [(4)] (5) (i) To increase the level of education of insurance producers,
32 an insurance producer shall obtain continuing education in the kind or subdivision of
33 insurance for which the insurance producer has received a license.

1 (ii) Each insurance producer who possesses a license to sell health
2 insurance and who sells long-term care insurance shall receive continuing education that
3 directly relates to long-term care insurance.

4 (iii) Each insurance producer who possesses a license to sell property
5 and casualty insurance and who sells flood insurance shall receive continuing education
6 that directly relates to flood insurance.

7 (iv) Each insurance producer who possesses a license to sell property
8 and casualty insurance and who sells, solicits, or negotiates bail bonds shall receive
9 continuing education that directly relates to bail bond insurance.

10 (v) Each insurance producer who possesses a license to sell health
11 insurance and who markets the Senior Prescription Drug Assistance Program or assists a
12 Medicare beneficiary to enroll in the Senior Prescription Drug Assistance Program shall
13 receive continuing education that directly relates to the Senior Prescription Drug
14 Assistance Program.

15 ~~[(5)]~~ (6) If continuing education is required, the Commissioner may grant
16 a waiver to an insurance producer who has requested a waiver for reasons that the
17 Commissioner determines warrant the waiver.

18 ~~[(6)]~~ (7) An insurer may not prohibit one of its insurance producers from
19 obtaining continuing education credits from any course approved by the Commissioner.

20 (b) The following individuals are exempt from the continuing education
21 requirements under this section:

22 (1) employees of a health maintenance organization who are employed
23 solely to solicit membership in the health maintenance organization under a contract
24 between the health maintenance organization and the Maryland Department of Health;

25 (2) attorneys at law of the State who are qualified as title insurance
26 producers and who do not hold a license in any other kind or subdivision of insurance;

27 (3) individuals who hold only a limited lines license to act as an insurance
28 producer for limited line credit insurance; and

29 (4) insurance producers who hold only a limited lines license in any type of
30 insurance designated by the Commissioner.

31 (c) A nonresident licensee shall be deemed to have met the continuing education
32 requirements of this section if:

33 (1) the nonresident licensee satisfies the continuing education
34 requirements of the home state of the nonresident licensee; and

1 (2) the home state of the nonresident licensee allows an insurance producer
2 who is a resident of this State to satisfy the continuing education requirements of the home
3 state on the same basis by meeting the continuing education requirements of this State.

4 (d) (1) The Commissioner may review all continuing education courses
5 submitted and approve or disapprove courses.

6 (2) The Commissioner may not disapprove a continuing education course
7 solely on the basis of the methodology or technology used to deliver instruction to
8 individuals taking the course.

9 (d-1) (1) An insurance producer may obtain all or part of the credit hours of
10 continuing education required for renewal of a license under this section from
11 correspondence courses or online courses approved by the Commissioner.

12 (2) This subsection applies to all insurance producers who are required to
13 receive continuing education as a condition of license renewal under this section, regardless
14 of the kind or subdivision of insurance for which the insurance producer has received a
15 license.

16 (e) The Commissioner may adopt regulations to carry out this section.

17 (f) This section does not limit the authority of the Commissioner to review,
18 approve, or disapprove continuing education courses, examinations, and other matters
19 relating to the education and qualification of insurance producers.

20 10-408.

21 (a) A license expires every other year on the date stated on the license unless
22 renewed as provided in this section.

23 (b) At least 1 month before a license expires, the Commissioner shall send to the
24 holder of the license, at the last known address or e-mail address of the holder on record a
25 notice that states:

26 (1) the process for renewing the license;

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

29 (3) the amount of the renewal fee.

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

32 (1) otherwise is entitled to a license;

- 1 (2) files with the Commissioner a renewal application:
- 2 (i) on the form that the Commissioner provides; or
- 3 (ii) in an electronic format that the Commissioner approves;
- 4 (3) completes the continuing education requirements under subsection (e)
- 5 of this section; and
- 6 (4) pays to the Commissioner the renewal fee required by § 2-112 of this
- 7 article.

8 (d) A license renewed under this section for an individual shall have an expiration

9 date that is the last day of the month in which the license holder was born.

10 (e) (1) The Commissioner shall require a public adjuster who is not a business

11 entity to receive continuing education as a condition of renewing a license of the public

12 adjuster.

13 **(2) A PUBLIC ADJUSTER SHALL COMPLETE THE CONTINUING**

14 **EDUCATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION NOT LATER**

15 **THAN 30 DAYS BEFORE THE EXPIRATION DATE OF THE PUBLIC ADJUSTER'S**

16 **LICENSE.**

17 **[(2)] (3)** The public adjuster shall successfully complete 24 credit hours of

18 approved continuing education for each 2-year license period as a condition for license

19 renewal unless the Commissioner modifies the requirement by regulation.

20 **[(3)] (4)** Of the required hours of continuing education required for a

21 renewal period under paragraph **[(2)] (3)** of this subsection, at least 3 hours shall relate

22 directly to ethics.

23 **[(4)] (5)** The Commissioner may grant a waiver to a public adjuster who

24 has requested a waiver for reasons that the Commissioner determines warrant the waiver.

25 **[(5)] (6)** This subsection may not apply to a holder of a license who has

26 not been licensed for 1 full year before the end of the applicable continuing education period.

27 (f) A nonresident license holder shall be deemed to have met the continuing

28 education requirements of this section if:

29 (1) the nonresident license holder satisfies the continuing education

30 requirements of the home state of the nonresident license holder; and

1 (2) the home state of the nonresident license holder allows a public adjuster
2 who is a resident of this State to satisfy the continuing education requirements of the home
3 state on the same basis by meeting the continuing education requirements of this State.

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

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

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

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

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

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

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

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

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

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

27 (i) The Commissioner may adopt regulations to carry out this section.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 January 1, 2020.