

# SENATE BILL 93

C4, C3

01r0039

(PRE-FILED)

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

Requested: September 16, 2019

Introduced and read first time: January 8, 2020

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Nonresident Insurance Producers – Cancellation**

3 FOR the purpose of requiring the holder of a nonresident insurance producer license to  
4 maintain a certain licensing status in the holder's home state; authorizing the  
5 Maryland Insurance Commissioner to cancel a nonresident producer license after  
6 receiving notification that the producer no longer has a home state license; making  
7 stylistic changes; and generally relating to nonresident insurance producers.

8 BY repealing and reenacting, with amendments,

9 Article – Insurance

10 Section 10–119

11 Annotated Code of Maryland

12 (2017 Replacement Volume and 2019 Supplement)

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

15 **Article – Insurance**

16 10–119.

17 (a) Except as otherwise provided in this section, the Commissioner shall waive  
18 any license application requirements for an applicant who is not a resident of this State if:

19 (1) the applicant has a valid license from the home state of the applicant;  
20 and

21 (2) the home state of the applicant awards nonresident licenses to residents

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 of this State on the same basis.

2 (b) (1) Subject to paragraph (2) of this subsection and unless denied a license  
3 [pursuant to] UNDER § 10–126 of this subtitle, a person that is not a resident of this State  
4 may obtain a nonresident license to act as an insurance producer if:

5 (i) the person currently is licensed as a resident insurance producer  
6 and in good standing in the person’s home state;

7 (ii) the person has submitted or transmitted to the Commissioner  
8 the application for licensure that the person submitted to the person’s home state or a  
9 completed uniform application;

10 (iii) the person has paid the applicable fee [pursuant to] UNDER §  
11 2–112 of this article; and

12 (iv) the person’s home state awards nonresident insurance producer  
13 licenses to residents of this State on the same basis.

14 (2) An individual who applies for an insurance producer license in this  
15 State who was previously licensed for the same lines of authority in another state need not  
16 comply with the education, experience, and examination requirements of §§ 10–104,  
17 10–105, and 10–107 through 10–109 of this subtitle if:

18 (i) the person currently is licensed as an insurance producer in the  
19 home state of the person;

20 (ii) the application is received by the Commissioner within 90 days  
21 after the cancellation of the applicant’s previous license and the prior state issues a  
22 certification that, at the time of cancellation, the applicant was in good standing in that  
23 state; or

24 (iii) the state’s producer database records, maintained by the  
25 National Association of Insurance Commissioners, its affiliates or subsidiaries, indicate  
26 that the producer is or was licensed in good standing for the line of authority requested.

27 (C) IN ORDER TO MAINTAIN A NONRESIDENT LICENSE IN THE STATE, A  
28 PERSON MUST BE:

29 (1) CURRENTLY LICENSED AS A RESIDENT INSURANCE PRODUCER IN  
30 THE PERSON’S HOME STATE; AND

31 (2) IN GOOD STANDING IN THE PERSON’S HOME STATE.

32 [(c)] (D) The Commissioner may verify the licensing status of a nonresident  
33 insurance producer through the producer database maintained by the National Association

1 of Insurance Commissioners, its affiliates or subsidiaries.

2 **[(d)] (E)** Notwithstanding any other provision of this subtitle, a person licensed  
3 as a limited line credit insurance producer or other type of limited lines insurance producer  
4 in the person's home state is entitled to receive a nonresident limited lines insurance  
5 producer license[, pursuant to] **UNDER** subsection (b) of this section[,] granting the same  
6 scope of authority as granted under the license issued by the person's home state.

7 **[(e)] (F)** (1) Notwithstanding any other provision of this subtitle, a person  
8 licensed as a surplus lines broker in the person's home state is entitled to receive a  
9 nonresident certificate of qualification as a surplus lines broker under subsection (b) of this  
10 section.

11 (2) Except for subsection (b) of this section, nothing in this section  
12 supersedes any provision of Title 3, Subtitle 3 of this article.

13 **[(f)] (G)** (1) A nonresident insurance producer who moves from one state to  
14 another state or a resident producer who moves from this State to another state shall:

15 (i) file with the Commissioner a change of address; and

16 (ii) provide to the Commissioner certification from the new resident  
17 state within 30 days after the change of legal residence.

18 (2) The Commissioner may not charge a fee or require a license application  
19 following a change of legal residence.

20 **[(g)] (H)** (1) A person licensed as an insurance producer in another state who  
21 moves to this State shall apply to become licensed as a resident insurance producer under  
22 § 10–111 of this subtitle within 90 days [of] **AFTER** establishing legal residence in this  
23 State.

24 (2) If the person applies to become licensed as a resident insurance  
25 producer within 90 days [of] **AFTER** establishing legal residence in the State, the person  
26 need not comply with the education, experience, and examination requirements of §§  
27 10–104, 10–105, and 10–107 through 10–109 of this subtitle to obtain a license for any line  
28 of authority that the person previously held in the prior state, except where the  
29 Commissioner determines otherwise by regulation.

30 **(I) THE COMMISSIONER MAY CANCEL THE LICENSE OF A NONRESIDENT**  
31 **INSURANCE PRODUCER AFTER RECEIVING NOTICE THAT THE PERSON IS NO LONGER**  
32 **LICENSED IN THE PERSON'S HOME STATE.**

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
34 October 1, 2020.