

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 265

(Delegate Qi)

Economic Matters and Health and  
Government Operations

Finance

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**Insurance - Producer Licensing Requirements - Education and Experience**

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This bill repeals specified education and experience requirements necessary for an individual applicant to obtain an insurance producer license from the Maryland Insurance Administration (MIA) for most applicants, specifically those that require an individual to take a prelicensing course and work for at least one year prior to applying for an insurance producer license. The bill also makes a series of technical and conforming changes.

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**Fiscal Summary**

**State Effect:** The bill is not anticipated to materially affect State operations or finances.

**Local Effect:** None.

**Small Business Effect:** Meaningful.

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**Analysis**

**Bill Summary/Current Law:** To act as an insurance producer in the State, a person must generally obtain a license from MIA. To obtain an insurance producer license as an individual (as opposed to a business), the individual must meet specified requirements, including that the applicant (1) be trustworthy and of good character; (2) be at least 18 years old; (3) pass a written examination related to the type of insurance for which the license is being requested; and (4) pay the initial license fee.

Under current law, an individual applicant must also meet the following requirements; however, these requirements are repealed by the bill. An individual applicant must:

- successfully complete a program of studies that has been established or approved by the Insurance Commissioner, as specified; and
- have been regularly employed for periods totaling at least one year during the three years immediately preceding the date of application, as specified, and working in connection with the kind or subdivision of insurance for which the applicant wants to be licensed (with specified exceptions for applicants previously in the Armed Forces and who belong to specified professional organizations).

However, the bill keeps in place the requirement that an applicant for a license to act as an insurance producer for limited line credit insurance must successfully complete a prelicensing course as a condition of licensure.

**Small Business Effect:** Some insurance producers in the State are or work directly for small businesses, and the bill removes a barrier to entry for most individuals seeking to be licensed as an insurance producer.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the past three years.

**Designated Cross File:** SB 336 (Senator Klausmeier) - Finance.

**Information Source(s):** Maryland Insurance Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - January 25, 2024  
js/jc Third Reader - March 14, 2024  
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