

SENATE BILL 228

C4, I2

(PRE-FILED)

5lr0091
CF HB 30

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

Requested: October 6, 2024

Introduced and read first time: January 8, 2025

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Limited Line Credit Insurance – Qualification of Applicants**

3 FOR the purpose of altering certain requirements relating to programs of instruction for
4 applicants for certain limited lines credit insurance licenses; and generally relating
5 to programs of instruction for limited line credit insurance.

6 BY repealing and reenacting, with amendments,

7 Article – Insurance

8 Section 10–104 and 10–105

9 Annotated Code of Maryland

10 (2017 Replacement Volume and 2024 Supplement)

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

13 **Article – Insurance**

14 10–104.

15 (a) This section applies to:

16 (1) a license to act as an insurance producer for insurance other than life
17 insurance, health insurance, or annuities;

18 (2) a limited lines license to act as an insurance producer for limited line
19 credit insurance other than credit life insurance or credit health insurance; and

20 (3) a limited lines license to act as an insurance producer for a line of
21 insurance described in §§ 10–122 through 10–125 of this subtitle.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) To qualify for a license to which this section applies, an individual applicant
2 must meet the requirements of this section.

3 (c) An applicant must be of good character and trustworthy based on the
4 standards of § 10–126 of this subtitle.

5 (d) An applicant must be at least 18 years of age.

6 (e) An applicant may not have committed any act that the Commissioner finds
7 would warrant denial of a license under § 10–126 of this subtitle.

8 (f) (1) In the case of an applicant for a limited lines license to act as an
9 insurance producer for limited line credit insurance, the applicant shall complete
10 successfully a program of instruction that is:

11 [(1)] (I) provided by an insurer that sells, solicits, or negotiates limited
12 line credit insurance; and

13 [(2)] (II) [approved by the Commissioner] **DESIGNED TO PROVIDE A**
14 **COMPREHENSIVE AND ACCURATE EXPLANATION OF THE PRODUCT.**

15 (2) (I) **THE INSURER THAT PROVIDES THE PROGRAM OF**
16 **INSTRUCTION SHALL RETAIN RECORDS RELATING TO THE PROGRAM OF**
17 **INSTRUCTION WHILE IN USE AND FOR A PERIOD OF AT LEAST 5 YEARS AFTER ITS**
18 **LAST USE.**

19 (II) **THE RECORDS SHALL INCLUDE:**

20 1. **COPIES OF THE INSTRUCTIONAL MATERIALS; AND**

21 2. **A LIST OF THE APPLICANTS AND PRODUCERS WHO**
22 **HAVE SUCCESSFULLY COMPLETED THE PROGRAM OF INSTRUCTION.**

23 (III) **THE INSURER SHALL MAKE AVAILABLE TO THE**
24 **COMMISSIONER THE RECORDS RELATING TO THE PROGRAM OF INSTRUCTION AT**
25 **THE REQUEST OF THE COMMISSIONER.**

26 (g) Except as otherwise provided in this section, the applicant must pass an
27 examination given by the Commissioner under this subtitle.

28 (h) An applicant for a limited lines license to act as an insurance producer for
29 limited line credit insurance need not meet the examination requirements of subsection (g)
30 of this section.

1 (i) An applicant may be licensed as to any particular kind or kinds of insurance.

2 10–105.

3 (a) To qualify for a license as an insurance producer for life insurance, health
4 insurance, annuities, nonprofit health service plans, dental plan organizations, health
5 maintenance organizations, or fraternal benefit societies an individual applicant must meet
6 the requirements of this section.

7 (b) An applicant must be of good character and trustworthy based on the
8 standards of § 10–126 of this subtitle.

9 (c) An applicant must be at least 18 years of age.

10 (d) An applicant may not have committed any act that the Commissioner finds
11 would warrant denial of a license under § 10–126 of this subtitle.

12 (e) **(1)** In the case of an applicant for a limited lines license to act as an
13 insurance producer for credit life insurance or credit health insurance, the applicant shall
14 successfully complete a program of instruction that is:

15 **[(1)] (I)** provided by an insurer that sells, solicits, or negotiates limited
16 line credit insurance; and

17 **[(2)] (II)** **[approved by the Commissioner] DESIGNED TO PROVIDE A**
18 **COMPREHENSIVE AND ACCURATE EXPLANATION OF THE PRODUCT.**

19 **(2) (I) THE INSURER THAT PROVIDES THE PROGRAM OF**
20 **INSTRUCTION SHALL RETAIN RECORDS RELATING TO THE PROGRAM OF**
21 **INSTRUCTION WHILE IN USE AND FOR A PERIOD OF AT LEAST 5 YEARS AFTER ITS**
22 **LAST USE.**

23 **(II) THE RECORDS SHALL INCLUDE:**

24 **1. COPIES OF THE INSTRUCTIONAL MATERIALS; AND**

25 **2. A LIST OF THE APPLICANTS AND PRODUCERS WHO**
26 **HAVE SUCCESSFULLY COMPLETED THE PROGRAM OF INSTRUCTION.**

27 **(III) THE INSURER SHALL MAKE THE RECORDS RELATING TO**
28 **THE PROGRAM OF INSTRUCTION AVAILABLE TO THE COMMISSIONER AT THE**
29 **REQUEST OF THE COMMISSIONER.**

30 (f) Before taking a written examination, an applicant shall pay the application
31 fee required under § 2–112(a)(6)(vi) of this article.

1 (g) (1) Except as otherwise provided in this subsection, the applicant must
2 pass an examination given by the Commissioner under this subtitle.

3 (2) The following applicants are not required to take an examination:

4 (i) an applicant for a license to act as an insurance producer only for
5 selling credit life insurance or credit accident and health insurance or both to a borrower of
6 money or buyer of goods in connection with a loan or credit transaction;

7 (ii) an applicant for a license to act as an insurance producer for a
8 dental plan organization if the applicant for compensation solicited, procured, or negotiated
9 contracts for dental plan organizations continuously from July 1, 1988, to June 30, 1989;

10 (iii) an applicant for a license to act as an insurance producer for a
11 nonprofit health service plan if the applicant for compensation solicited, procured, or
12 negotiated contracts for nonprofit health service plans continuously from July 1, 1988, to
13 June 30, 1989; or

14 (iv) an applicant for a license to act as an insurance producer for a
15 health maintenance organization if the applicant for compensation solicited, procured, or
16 negotiated contracts for health maintenance organizations continuously from July 1, 1988,
17 to June 30, 1989.

18 (h) An applicant may be licensed as to any particular kind or kinds of insurance.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2025.