

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

Senate Bill 228

(Chair, Finance Committee)(By Request - Departmental -  
Maryland Insurance Administration)

Finance

Economic Matters

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**Limited Line Credit Insurance - Qualification of Applicants**

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This departmental bill repeals the requirement that the Insurance Commissioner approve certain instructional programs that must be completed to obtain an insurance producer license for limited line credit insurance, credit life insurance, or credit health insurance. Instead, the bill requires the instructional programs to be designed to provide a comprehensive and accurate explanation of the insurance product. The bill also requires insurers that administer the instructional programs to maintain, and make available, records of the program, as specified.

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**Fiscal Summary**

**State Effect:** The bill's changes may result in efficiencies, but expenditures are not materially affected. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** The Maryland Insurance Administration (MIA) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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**Analysis**

**Bill Summary:** Insurers that provide a program of instruction for insurance producers under the bill must retain records relating to the program of instruction and maintain those records for at least five years after the program's last use. Those records must include copies of the instructional materials and a list of the applicants and producers who have

successfully completed the program of instruction. Further, those records must be made available to the Insurance Commissioner upon request.

**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.

Chapters 873 and 874 of 2024 modified requirements so that an applicant to become an insurance producer for limited line credit insurance, credit life insurance, or credit health insurance must successfully complete a program of study approved by the Insurance Commissioner (rather than *established or approved* by the Commissioner). Accordingly, an insurer that sells, solicits, or negotiates limited line credit insurance must provide a program of instruction to those applicants.

**Background:** MIA advises that current law does not provide enough guidance regarding training program approval standards for limited line insurance producers, leaving significant uncertainty for MIA, insurance companies, and applicants for a limited line insurance producer license. According to MIA, removing the requirement that the Insurance Commissioner approve training courses and allowing insurance companies to develop training independently better serves insurers and the people of Maryland who utilize their services because the insurers are the true experts in the insurance products being sold. MIA plans to review the courses developed by insurers during its normal insurer market conduct examinations.

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## Additional Information

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

**Designated Cross File:** HB 30 (Chair, Economic Matters Committee)(By Request - Departmental - Maryland Insurance Administration) - Economic Matters.

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

**Fiscal Note History:** First Reader - January 21, 2025  
js/rld Third Reader - February 7, 2025

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Analysis by: Kayvon Samadani

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510

## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL      Limited Line Credit Insurance – Qualification of Applicants  
BILL NUMBER:      SB 228  
PREPARED BY:      Jamie Sexton

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESS

OR

  WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS

The Maryland Insurance Administration does not expect that the proposed bill would have any economic impact on small businesses.