



January 31, 2024

The Honorable Pamela Beidle  
Chair, Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, Maryland 21401

**RE:** Senate Bill 336 – Insurance – Producer Licensing Requirements – Education and Experience

**Favorable**

Dear Chair Beidle:

The **American Council of Life Insurers (ACLI)**, and the **League of Life and Health Insurers of Maryland** strongly **support Senate Bill 336**, which addresses increasing concerns about agent recruitment, retention, and diversity.

ACLI is the leading trade association driving public policy and advocacy on behalf of the life insurance industry and its policyholders. Over 90 million American families rely on life insurance industry for financial protection & retirement security. Each day, life insurers pay out \$35.4 million in life insurance and annuities to Maryland families and businesses.

ACLI shares the conviction that a robust and diverse producer base is fundamental to the commitment of life insurers and life insurance producers and advisors to provide access to financial protection and savings products for all individuals. Over the past several years, **ACLI has worked with industry counterparts and regulators to identify and remove unnecessary barriers that prevent otherwise qualified candidates from entering and remaining in the industry.** One barrier to entry is the presence of unnecessary pre-licensing education mandates.

While the stated purpose of pre-licensing mandates has been to ensure candidates are prepared for the profession by helping them pass the licensing exam, the NAIC's Producer Licensing Working Group has determined that pre-licensing mandates do not achieve the goal of ensuring candidates are prepared for the profession. **Moreover, research has shown that pre-licensing mandates do not produce candidates more prepared to pass the exam.** Additionally, states without a mandate conduct post-exam questionnaires inquiring about time, methods, and modes of preparation. These reports have indicated that many candidates for licenses still take a course, buy materials, or otherwise, prepare for

the exam. The difference in states without a mandated states is candidates for a license are free to study in a way that best fits their schedule, budget, and study habits.

**Pre-licensing mandates serve as barriers to entry into the industry by requiring excessive or unnecessary commitments of time, money, and methods of study.** Removing barriers such as the prelicensure requirement is particularly important when we consider the varying needs of those who may be caregivers, considering insurance as a second career, and for those who come from non-traditional educational backgrounds. To date, two states (Alabama and Washington) have enacted legislation to remove pre-licensing education barriers.

We would like to thank Vice Chair Klausmeier for her leadership in this Committee and for her sponsorship of this bill. We would also like to thank Commissioner Birrane and the staff at the Maryland Insurance Administration for their work on this legislation. Passage and enactment of this legislation in Maryland will make the state a forward-thinking leader in our region and expand the ranks of insurance professionals to serve the financial needs of our consumers. **We support Senate Bill 336** and urge the Committee to give the bill a favorable report.

Sincerely,



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cc: Members, Senate Finance Committee