

# SENATE BILL 29

C4

(9lr0068)

## ENROLLED BILL

— Finance/Economic Matters —

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

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

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Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Insurance – Licensure of Insurance Producers and Public Adjusters –**  
3 **Continuing Education Requirements**

4 FOR the purpose of requiring insurance producers and public adjusters to complete the  
5 continuing education required under certain provisions of law not later than a  
6 certain number of days before the expiration of the license; requiring, rather than  
7 authorizing, the Commissioner to adopt certain regulations; requiring that certain  
8 regulations require providers of continuing education to submit certain evidence to  
9 the Maryland Insurance Commissioner within a certain time period; requiring the  
10 Commissioner to study and report on the adequacy and effectiveness of certain  
11 course offerings to certain committees of the General Assembly on or before a certain  
12 date; providing for a delayed effective date *for certain provisions of this Act*; and  
13 generally relating to the licensure of insurance producers and public adjusters.

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#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics* indicate opposite chamber/conference committee amendments.



1 BY repealing and reenacting, with amendments,  
 2 Article – Insurance  
 3 Section 10–116 and 10–408  
 4 Annotated Code of Maryland  
 5 (2017 Replacement Volume and 2018 Supplement)

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

8 **Article – Insurance**

9 10–116.

10 (a) (1) Subject to subsections (b) and (c) of this section, the Commissioner shall  
 11 require an insurance producer to receive continuing education as a condition of renewing  
 12 the license of the insurance producer.

13 **(2) AN INSURANCE PRODUCER SHALL COMPLETE THE CONTINUING**  
 14 **EDUCATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION NOT LATER**  
 15 **THAN ~~30~~ 15 DAYS BEFORE THE EXPIRATION DATE OF THE INSURANCE PRODUCER’S**  
 16 **LICENSE.**

17 **[(2)] (3)** (i) The Commissioner may not require an individual who  
 18 holds a license to receive more than 24 hours of continuing education per renewal period.

19 (ii) If the individual holds a title insurance producer license, the  
 20 Commissioner may not require the insurance producer to receive more than 16 hours of  
 21 continuing education per renewal period.

22 (iii) If an insurance producer has held a license for 25 or more  
 23 consecutive years as of October 1, 2008, the Commissioner may not require the insurance  
 24 producer to receive more than 8 hours of continuing education per renewal period.

25 (iv) The Commissioner may not require an insurance producer to  
 26 receive more than 16 hours of continuing education in a renewal period if the insurance  
 27 producer is also a licensed funeral director or licensed mortician who:

28 1. sells only life insurance policies or annuity contracts that  
 29 fund a pre-need contract as defined in § 7–101 of the Health Occupations Article; and

30 2. is not a viatical settlement broker as defined in § 8–601 of  
 31 this article.

32 (v) Of the required hours of continuing education per renewal period  
 33 required under subparagraphs (i), (ii), (iii), and (iv) of this paragraph, at least 3 hours shall  
 34 relate directly to ethics.

1            ~~[(3)] (4)~~ Subject to paragraph ~~[(4)] (5)~~ of this subsection, an insurance  
2 producer may satisfy the continuing education requirements of this subsection by  
3 submitting to the Commissioner or Commissioner's designee:

4            (i) proof that the insurance producer has completed the required  
5 hours of continuing education for the applicable renewal period; or

6            (ii) proof that the insurance producer has completed at least 8 hours  
7 of continuing education for the applicable renewal period and an affidavit that, over the  
8 previous 25 consecutive years, the insurance producer continually:

9                            1. has held a license in the State; and

10                           2. has been employed in the selling of insurance in the State.

11            ~~[(4)] (5)~~ (i) To increase the level of education of insurance producers,  
12 an insurance producer shall obtain continuing education in the kind or subdivision of  
13 insurance for which the insurance producer has received a license.

14            (ii) Each insurance producer who possesses a license to sell health  
15 insurance and who sells long-term care insurance shall receive continuing education that  
16 directly relates to long-term care insurance.

17            (iii) Each insurance producer who possesses a license to sell property  
18 and casualty insurance and who sells flood insurance shall receive continuing education  
19 that directly relates to flood insurance.

20            (iv) Each insurance producer who possesses a license to sell property  
21 and casualty insurance and who sells, solicits, or negotiates bail bonds shall receive  
22 continuing education that directly relates to bail bond insurance.

23            (v) Each insurance producer who possesses a license to sell health  
24 insurance and who markets the Senior Prescription Drug Assistance Program or assists a  
25 Medicare beneficiary to enroll in the Senior Prescription Drug Assistance Program shall  
26 receive continuing education that directly relates to the Senior Prescription Drug  
27 Assistance Program.

28            ~~[(5)] (6)~~ If continuing education is required, the Commissioner may grant  
29 a waiver to an insurance producer who has requested a waiver for reasons that the  
30 Commissioner determines warrant the waiver.

31            ~~[(6)] (7)~~ An insurer may not prohibit one of its insurance producers from  
32 obtaining continuing education credits from any course approved by the Commissioner.

1 (b) The following individuals are exempt from the continuing education  
2 requirements under this section:

3 (1) employees of a health maintenance organization who are employed  
4 solely to solicit membership in the health maintenance organization under a contract  
5 between the health maintenance organization and the Maryland Department of Health;

6 (2) attorneys at law of the State who are qualified as title insurance  
7 producers and who do not hold a license in any other kind or subdivision of insurance;

8 (3) individuals who hold only a limited lines license to act as an insurance  
9 producer for limited line credit insurance; and

10 (4) insurance producers who hold only a limited lines license in any type of  
11 insurance designated by the Commissioner.

12 (c) A nonresident licensee shall be deemed to have met the continuing education  
13 requirements of this section if:

14 (1) the nonresident licensee satisfies the continuing education  
15 requirements of the home state of the nonresident licensee; and

16 (2) the home state of the nonresident licensee allows an insurance producer  
17 who is a resident of this State to satisfy the continuing education requirements of the home  
18 state on the same basis by meeting the continuing education requirements of this State.

19 (d) (1) The Commissioner may review all continuing education courses  
20 submitted and approve or disapprove courses.

21 (2) The Commissioner may not disapprove a continuing education course  
22 solely on the basis of the methodology or technology used to deliver instruction to  
23 individuals taking the course.

24 (d-1) (1) An insurance producer may obtain all or part of the credit hours of  
25 continuing education required for renewal of a license under this section from  
26 correspondence courses or online courses approved by the Commissioner.

27 (2) This subsection applies to all insurance producers who are required to  
28 receive continuing education as a condition of license renewal under this section, regardless  
29 of the kind or subdivision of insurance for which the insurance producer has received a  
30 license.

31 (e) **(1)** The Commissioner ~~may~~ **SHALL** adopt regulations to carry out this  
32 section.

1           **(2) THE REGULATIONS ADOPTED BY THE COMMISSIONER UNDER**  
2 **PARAGRAPH (1) OF THIS SUBSECTION SHALL REQUIRE PROVIDERS OF CONTINUING**  
3 **EDUCATION TO SUBMIT EVIDENCE OF COURSE COMPLETION TO THE**  
4 **COMMISSIONER OR THE COMMISSIONER'S DESIGNEE WITHIN 10 DAYS AFTER**  
5 **COMPLETING A COURSE OF CONTINUING EDUCATION.**

6           (f) This section does not limit the authority of the Commissioner to review,  
7 approve, or disapprove continuing education courses, examinations, and other matters  
8 relating to the education and qualification of insurance producers.

9 10-408.

10           (a) A license expires every other year on the date stated on the license unless  
11 renewed as provided in this section.

12           (b) At least 1 month before a license expires, the Commissioner shall send to the  
13 holder of the license, at the last known address or e-mail address of the holder on record a  
14 notice that states:

15                   (1) the process for renewing the license;

16                   (2) the date by which the Commissioner must receive the renewal  
17 application for the renewal to be issued and mailed before the license expires; and

18                   (3) the amount of the renewal fee.

19           (c) Before a license expires, the holder of the license may renew it for an  
20 additional 2-year term, if the holder:

21                   (1) otherwise is entitled to a license;

22                   (2) files with the Commissioner a renewal application:

23                           (i) on the form that the Commissioner provides; or

24                           (ii) in an electronic format that the Commissioner approves;

25                   (3) completes the continuing education requirements under subsection (e)  
26 of this section; and

27                   (4) pays to the Commissioner the renewal fee required by § 2-112 of this  
28 article.

29           (d) A license renewed under this section for an individual shall have an expiration  
30 date that is the last day of the month in which the license holder was born.

1 (e) (1) The Commissioner shall require a public adjuster who is not a business  
2 entity to receive continuing education as a condition of renewing a license of the public  
3 adjuster.

4 **(2) A PUBLIC ADJUSTER SHALL COMPLETE THE CONTINUING**  
5 **EDUCATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION NOT LATER**  
6 **THAN 30 DAYS BEFORE THE EXPIRATION DATE OF THE PUBLIC ADJUSTER'S**  
7 **LICENSE.**

8 **[(2)] (3)** The public adjuster shall successfully complete 24 credit hours of  
9 approved continuing education for each 2-year license period as a condition for license  
10 renewal unless the Commissioner modifies the requirement by regulation.

11 **[(3)] (4)** Of the required hours of continuing education required for a  
12 renewal period under paragraph **[(2)] (3)** of this subsection, at least 3 hours shall relate  
13 directly to ethics.

14 **[(4)] (5)** The Commissioner may grant a waiver to a public adjuster who  
15 has requested a waiver for reasons that the Commissioner determines warrant the waiver.

16 **[(5)] (6)** This subsection may not apply to a holder of a license who has  
17 not been licensed for 1 full year before the end of the applicable continuing education period.

18 (f) A nonresident license holder shall be deemed to have met the continuing  
19 education requirements of this section if:

20 (1) the nonresident license holder satisfies the continuing education  
21 requirements of the home state of the nonresident license holder; and

22 (2) the home state of the nonresident license holder allows a public adjuster  
23 who is a resident of this State to satisfy the continuing education requirements of the home  
24 state on the same basis by meeting the continuing education requirements of this State.

25 (g) (1) If mailed, an application for renewal of a license shall be considered  
26 made in a timely manner if it is postmarked on or before the expiration date of the license.

27 (2) If submitted electronically, an application for renewal shall be  
28 considered made in a timely manner if, on or before the expiration date of the license, the  
29 application:

30 (i) is addressed properly or otherwise directed properly to an  
31 information processing system that the Administration has designated or uses for the  
32 purpose of receiving electronic applications and from which the Administration is able to  
33 retrieve the application;

34 (ii) is in a form capable of being processed by that system; and

1 (iii) 1. enters an information processing system outside the  
2 control of the sender or of a person that sent the electronic application on behalf of the  
3 sender; or

4 2. enters a region of the information processing system  
5 designated or used by the Administration that is under the control of the Administration  
6 or an agent of the Administration.

7 (h) (1) The Commissioner shall renew the license of each holder who meets the  
8 requirements of this section.

9 (2) If the holder of a license files an application for renewal before the  
10 license expires, the license shall remain in effect until:

11 (i) the Commissioner issues a renewal license; or

12 (ii) 5 days after the Commissioner refuses in writing to renew the  
13 license and serves notice of the refusal on the holder.

14 (i) The Commissioner may adopt regulations to carry out this section.

15 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31,  
16 2019, the Maryland Insurance Commissioner, in consultation with the Independent  
17 Insurance Agents of Maryland, the Insurance Agents and Brokers of Maryland, the  
18 Maryland Association of Health Underwriters, and the National Association of Insurance  
19 and Financial Advisors of Maryland, shall study and report to the Senate Finance  
20 Committee and the House Economic Matters Committee, in accordance with § 2-1246 of  
21 the State Government Article, on the adequacy and effectiveness of course offerings for  
22 insurance producer continuing education in the State, including an examination of the role  
23 of organizations of insurance producers in providing and reviewing such course offerings.

24 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That *Section 1* of this Act shall  
25 take effect January 1, 2020.

26 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section  
27 3 of this Act, this Act shall take effect June 1, 2019.