

Department of Legislative Services  
Maryland General Assembly  
2019 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

Senate Bill 29

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

Finance

Economic Matters

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**Insurance - Licensure of Insurance Producers and Public Adjusters - Continuing  
Education Requirements**

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This departmental bill requires an insurance producer or public adjuster licensed by the Maryland Insurance Administration (MIA) to complete the continuing education required for license renewal no later than (1) 15 days before the license's expiration date for an insurance producer and (2) 30 days before the license's expiration date for a public adjuster. MIA must adopt specified regulations and complete a study regarding continuing education requirements for insurance producers. MIA must report to specified committees of the General Assembly on the required study by December 31, 2019. **The bill's study requirement takes effect June 1, 2019; other provisions take effect January 1, 2020.**

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**Fiscal Summary**

**State Effect:** The bill's requirements can be handled using existing budgeted resources. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** MIA has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

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**Analysis**

**Bill Summary:** MIA must adopt regulations related to continuing education for insurance producers. The regulations must require providers of continuing education to submit

evidence of course completion to MIA within 10 days after completing a course of continuing education.

MIA must study and report on the adequacy and effectiveness of course offerings for insurance producer continuing education in the State, including an examination of the role of organizations of insurance producers in providing and reviewing such course offerings. MIA must conduct the study in consultation with specified trade organizations that represent insurance professionals, insurers, and advisors.

**Current Law:** To act as either an insurance producer or public adjuster in the State, a person must generally obtain a license from MIA. In order to obtain a license of either type, a person must meet specified requirements such as being trustworthy, passing a written examination related to the type of insurance for which the license is being requested (if the applicant is an individual applicant), and paying the initial license fee.

Both types of license must be renewed every two years. To qualify for license renewal, a licensee must have, among other things, participated in continuing education during the license period. Generally, both types of insurance professionals must receive at least 24 hours of continuing education during the license period, with 3 of those hours being related to ethics; however, there are some exceptions. For example, an insurance producer is only required to receive at least 8 hours of continuing education if he or she has maintained a license for 25 or more consecutive years.

MIA is authorized but not required to adopt regulations regarding continuing education course requirements for insurance producers.

**Background:** MIA advises that the bill is needed because of timing issues with continuing education and license renewal for public adjusters and insurance producers. Specifically, providers that administer continuing education courses are given 14 days to report course results to MIA, and in some cases a license may expire after the continuing education course is complete but before the results are reported. In these situations, there is additional administrative burden, albeit minimal, placed on both the licensee (*e.g.*, late fees or having to wait to renew) and MIA (*e.g.*, processing waivers from late fees and requests for extensions). The bill is intended to ensure continuing education is completed in a more timely manner so that administrators may inform MIA *prior* to a license's expiration date.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - January 8, 2019  
an/jc Third Reader - March 13, 2019  
Revised - Amendment(s) - March 13, 2019  
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## **ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

**TITLE OF BILL: Insurance – Continuing Education – License Renewal Requirement**

**BILL NUMBER: SB 29**

**PREPARED BY:  
(Dept./Agency) Maryland Insurance Administration**

### **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**

CE is already required, therefore it is not expected that there will be any impact on small business.