

HOUSE BILL 265

C4, J5

4r1801
CF SB 336

By: **Delegate Qi**

Introduced and read first time: January 12, 2024

Assigned to: Economic Matters and Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Producer Licensing Requirements – Education and Experience**

3 FOR the purpose of repealing the requirements for education and experience for licensing
4 certain insurance producers, including producers for property and casualty
5 insurance, life insurance, health insurance, annuities, certain limited lines, and
6 related products; and generally relating to requirements for licensing insurance
7 producers.

8 BY repealing and reenacting, with amendments,

9 Article – Insurance

10 Section 10–104, 10–105, 10–108, 10–109, 10–119(b) and (h), 10–120(a), 10–122(a),
11 10–124(a), and 10–125(d)

12 Annotated Code of Maryland

13 (2017 Replacement Volume and 2023 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

15 That the Laws of Maryland read as follows:

16 **Article – Insurance**

17 10–104.

18 (a) This section applies to:

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

10 (f) [(1) Except as otherwise provided in this section:

11 (i) so that the applicant is reasonably familiar with the kind or
12 subdivision of insurance for which the applicant wants to be licensed, the applicant must
13 complete successfully a program of studies that has been established or approved by the
14 Commissioner;

15 (ii) during the 3 years immediately preceding the date of application,
16 the applicant must have been employed regularly for periods totaling at least 1 year:

17 1. by the Administration as an employee or by an insurer or
18 insurance producer; and

19 2. in responsible insurance duties in connection with the
20 kind or subdivision of insurance for which the applicant wants to be licensed; or

21 (iii) during the 3 years immediately preceding the date of entering or
22 immediately after discharge from the armed forces of the United States, the applicant must
23 have been employed regularly for periods totaling at least 1 year:

24 1. by an insurer or insurance producer; and

25 2. in connection with the kind or subdivision of insurance for
26 which the applicant wants to be licensed.

27 (2) In the case of an applicant for a limited lines license to act as an
28 insurance producer for limited line credit insurance, the applicant shall complete
29 successfully a program of instruction that is:

30 (i) provided by an insurer that sells, solicits, or negotiates limited
31 line credit insurance; and

32 (ii) approved by the Commissioner.

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

3 (h) The Commissioner may waive the requirements of subsection (f) of this section
4 for an applicant for a license for property insurance or casualty insurance if the applicant:

5 (1) (i) has been conferred the Chartered Property Casualty
6 Underwriter (C.P.C.U.) designation by The American Institute for Chartered Property
7 Casualty Underwriters; and

8 (ii) is a member in good standing of the Society of Chartered
9 Property and Casualty Underwriters;

10 (2) has been conferred the designation of Fellow of the Casualty Actuarial
11 Society;

12 (3) has been conferred the designation of Certified Insurance Counselor
13 (CIC) by the Society of Certified Insurance Counselors; or

14 (4) has been conferred the designation of:

15 (i) Accredited Adviser in Insurance (AAI); or

16 (ii) Associate in Risk Management (ARM).]

17 (i) (G) An applicant for a limited lines license to act as an insurance producer
18 for limited line credit insurance need not meet the examination requirements of subsection
19 [(g) (F) of this section.

20 (j) (H) An applicant may be licensed as to any particular kind or kinds of
21 insurance.

22 10–105.

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

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

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

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

3 (e) [(1) So that the applicant is reasonably familiar with the kind or subdivision
4 of insurance for which the applicant wants to be licensed:

5 (i) the applicant must complete successfully a program of studies
6 that has been established or approved by the Commissioner;

7 (ii) during the 3 years immediately preceding the date of application,
8 the applicant must have been employed regularly for periods totaling at least 1 year:

9 1. by the Administration as an employee or by an insurer or
10 insurance producer; and

11 2. in responsible insurance duties in connection with the
12 kind or subdivision of insurance for which the applicant wants to be licensed; or

13 (iii) during the 3 years immediately preceding the date of entering or
14 immediately after discharge from the armed forces of the United States, the applicant must
15 have been employed regularly for periods totaling at least 1 year:

16 1. by an insurer or insurance producer; and

17 2. in connection with the kind or subdivision of insurance for
18 which the applicant wants to be licensed.

19 (2) In the case of an applicant for a limited lines license to act as an
20 insurance producer for credit life insurance or credit health insurance, the applicant shall
21 successfully complete a program of instruction that is:

22 (i) provided by an insurer that sells, solicits, or negotiates limited
23 line credit insurance; and

24 (ii) approved by the Commissioner.

25 (3) The Commissioner may waive the requirement of paragraph (1)(i) of
26 this subsection for life insurance for an applicant who:

27 (i) 1. has been conferred the Chartered Life Underwriter
28 (C.L.U.) designation by the American College of Life Underwriters; and

29 2. is a member in good standing of the American Society of
30 Chartered Life Underwriters; or

31 (ii) has been conferred the designation of:

1. Fellow of the Society of Actuaries;
2. Certified Employee Benefit Specialist (C.E.B.S.);
3. Chartered Financial Consultant (ChFC);
4. Certified Insurance Counselor (CIC);
5. Certified Financial Planner (CFP);
6. Fellow, Life Management Institute (FLMI); or
7. Life Underwriter Training Council Fellow (LUTCF).

(4) The Commissioner may waive the requirement of paragraph (1)(i) of this subsection for health insurance for an applicant who has been conferred the designation of:

- (i) Registered Health Underwriter (RHU);
- (ii) Certified Employee Benefit Specialist (C.E.B.S.);
- (iii) Registered Employee Benefit Consultant (REBC); or
- (iv) Health Insurance Associate (HIA).

(f) Before taking a written examination, an applicant shall:

(1) demonstrate to the Commissioner that the applicant has completed the requirements set out by the Commissioner, including the requirements of subsection (e) of this section; and

(2) pay the application fee required under § 2–112(a)(6)(vi) of this article.

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

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

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

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

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

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

9 **[(h)] (G)** An applicant may be licensed as to any particular kind or kinds of
10 insurance.

11 10–108.

12 (a) An individual applicant who otherwise qualifies for a license for insurance
13 other than life insurance, health insurance, or annuities is entitled to be examined as
14 provided in this section.

15 (b) To determine the competence of an individual applicant as to the kind or
16 subdivision of insurance for which the applicant wants to become licensed, the applicant
17 shall pass a written examination that relates to that kind or subdivision of insurance.

18 (c) The Commissioner shall adopt reasonable regulations that specify:

19 (1) the scope, type, conduct, and grading of the written examinations; **AND**

20 (2) the frequency, times, and locations within the State where the written
21 examinations will be held]; and

22 (3) the educational requirements for an individual applicant to be eligible
23 to take a written examination].

24 (d) Before taking a written examination, an individual applicant shall[:

25 (1) (i) demonstrate to the Commissioner that the applicant has
26 completed the educational requirements set out by the Commissioner; or

27 (ii) submit to the Commissioner at the time of the examination an
28 affidavit from the employer of the applicant stating facts that show compliance with the
29 applicable requirements of § 10–104(h)(2) or (3) of this subtitle, if the applicant qualifies by
30 meeting the experience requirements of § 10–104(h)(2) or (3) of this subtitle; and

31 (2)] pay the application fee required under § 2–112(a)(6)(vi) of this article.

1 (e) All written examinations shall be graded within 30 days following the date of
2 the examination.

3 (f) An individual applicant who fails an examination may not take another
4 examination until at least 4 days after the date of the last examination that the applicant
5 failed.

6 10–109.

7 (a) An individual applicant who otherwise qualifies for a license for life insurance,
8 health insurance, annuities, nonprofit health service plans, dental plan organizations, or
9 health maintenance organizations is entitled to be examined as provided in this section.

10 (b) (1) Each individual applicant must pass a personal written examination to
11 determine:

12 (i) the competence of the applicant as to life insurance, health
13 insurance, or annuities or to any subdivision of them, including contracts for nonprofit
14 health service plans, vision plans, dental plan organizations, and health maintenance
15 organizations; and

16 (ii) the familiarity of the applicant with the applicable laws of the
17 State.

18 (2) Each examination must be graded within 30 days after the date of the
19 examination.

20 (c) An individual applicant who fails an examination may not take another
21 examination until at least 4 days after the date of the last examination that the applicant
22 failed.

23 (d) The Commissioner shall adopt reasonable regulations that specify:

24 (1) the scope, type, conduct, and grading of the written examinations; **AND**

25 (2) the frequency, times, and places in the State where the written
26 examinations will be held[]; and

27 (3) subject to § 10–105(e) of this subtitle, the educational requirements for
28 an individual applicant to be eligible to take a written examination[].

29 10–119.

30 (b) (1) Subject to paragraph (2) of this subsection and unless denied a license
31 under § 10–126 of this subtitle, a person that is not a resident of this State may obtain a
32 nonresident license to act as an insurance producer if:

1 (i) the person currently is licensed as a resident insurance producer
2 and in good standing in the person's home state;

3 (ii) the person has submitted or transmitted to the Commissioner
4 the application for licensure that the person submitted to the person's home state or a
5 completed uniform application;

6 (iii) the person has paid the applicable fee under § 2-112 of this
7 article; and

8 (iv) the person's home state awards nonresident insurance producer
9 licenses to residents of this State on the same basis.

10 (2) An individual who applies for an insurance producer license in this
11 State who was previously licensed for the same lines of authority in another state need not
12 comply with the [education, experience, and] examination requirements of §§ 10-104,
13 10-105, and 10-107 through 10-109 of this subtitle if:

14 (i) the person currently is licensed as an insurance producer in the
15 home state of the person;

16 (ii) the application is received by the Commissioner within 90 days
17 after the cancellation of the applicant's previous license and the prior state issues a
18 certification that, at the time of cancellation, the applicant was in good standing in that
19 state; or

20 (iii) the state's producer database records, maintained by the
21 National Association of Insurance Commissioners, its affiliates or subsidiaries, indicate
22 that the producer is or was licensed in good standing for the line of authority requested.

23 (h) (1) A person licensed as an insurance producer in another state who moves
24 to this State shall apply to become licensed as a resident insurance producer under §
25 10-111 of this subtitle within 90 days after establishing legal residence in this State.

26 (2) If the person applies to become licensed as a resident insurance
27 producer within 90 days after establishing legal residence in the State, the person need not
28 comply with the [education, experience, and] examination requirements of §§ 10-104,
29 10-105, and 10-107 through 10-109 of this subtitle to obtain a license for any line of
30 authority that the person previously held in the prior state, except where the Commissioner
31 determines otherwise by regulation.

32 10-120.

33 (a) Without regard to the [education, experience, or] examination requirements
34 of this subtitle, the Commissioner may issue a temporary license to act as an insurance
35 producer to an individual if the individual:

1 (1) is otherwise qualified; and

2 (2) is:

3 (i) the surviving spouse, next of kin, personal representative, or
4 appointee of the personal representative, of a deceased insurance producer;

5 (ii) the spouse, next of kin, employee, or legal guardian of a mentally
6 or physically disabled insurance producer; or

7 (iii) an employee of a firm, or an officer or employee of a corporation,
8 of a deceased or disabled insurance producer.

9 10–122.

10 (a) Without regard to the [education, experience, or] examination requirements
11 of this subtitle, the Commissioner may issue a limited lines license to an individual who or
12 a business entity that sells travel insurance.

13 10–124.

14 (a) Without regard to the [education, experience, or] examination requirements
15 of this subtitle, the Commissioner may issue a limited lines license to an individual who is
16 employed by a health maintenance organization solely to solicit membership in the health
17 maintenance organization under a contract:

18 (1) between the health maintenance organization and the Maryland
19 Department of Health; and

20 (2) in accordance with which the Maryland Department of Health obtains
21 prepaid comprehensive health care services for recipients of medical assistance under §
22 15–105 of the Health – General Article.

23 10–125.

24 (d) Notwithstanding any other provision of this subtitle:

25 (1) (i) the licensing, bonding, [education, experience,] and examination
26 requirements of this subtitle relating to title insurance producers do not apply to law firms;
27 and

28 (ii) except as otherwise provided in paragraph (2) of this subsection,
29 the bonding[, education, experience,] and examination requirements of this subtitle
30 relating to title insurance producers do not apply to attorneys.

31 (2) The bonding requirements of this subtitle are applicable to:

1 (i) an attorney or an association of attorneys who own, operate, or
2 share an interest in a title agency; and

3 (ii) an attorney who is employed by a title agency as a title insurance
4 producer.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2024.