

# 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

---

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 1, 2024

---

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

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:

---

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.



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

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

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

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

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

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

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

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

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

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

21 1. by the Administration as an employee or by an insurer or  
22 insurance producer; and

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

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

28 1. by an insurer or insurance producer; and

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

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

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

6                   (ii) approved by the Commissioner.

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

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

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

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

16                   (2) has been conferred the designation of Fellow of the Casualty Actuarial  
17 Society;

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

20                   (4) has been conferred the designation of:

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

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

23           [(i) ~~(G)~~ (H) An applicant for a limited lines license to act as an insurance producer  
24 for limited line credit insurance need not meet the examination requirements of subsection  
25 ~~[(g)] (F)~~ of this section.

26           [(j) ~~(H)~~ (I) An applicant may be licensed as to any particular kind or kinds of  
27 insurance.

28 10–105.

29           (a) To qualify for a license as an insurance producer for life insurance, health  
30 insurance, annuities, nonprofit health service plans, dental plan organizations, health

1 maintenance organizations, or fraternal benefit societies an individual applicant must meet  
2 the requirements of this section.

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

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

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

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

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

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

14 1. by the Administration as an employee or by an insurer or  
15 insurance producer; and

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

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

21 1. by an insurer or insurance producer; and

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

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

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

29 (ii) approved by the Commissioner.

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

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

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

5 (ii) has been conferred the designation of:

6 1. Fellow of the Society of Actuaries;

7 2. Certified Employee Benefit Specialist (C.E.B.S.);

8 3. Chartered Financial Consultant (ChFC);

9 4. Certified Insurance Counselor (CIC);

10 5. Certified Financial Planner (CFP);

11 6. Fellow, Life Management Institute (FLMI); or

12 7. Life Underwriter Training Council Fellow (LUTCF).

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

16 (i) Registered Health Underwriter (RHU);

17 (ii) Certified Employee Benefit Specialist (C.E.B.S.);

18 (iii) Registered Employee Benefit Consultant (REBC); or

19 (iv) Health Insurance Associate (HIA).]

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

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

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

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

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

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

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

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

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

15 ~~[(h)] (G)~~ An applicant may be licensed as to any particular kind or kinds of  
16 insurance.

17 10-108.

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

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

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

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

26 (2) the frequency, times, and locations within the State where the written  
27 examinations will be held[; and

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

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

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

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

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

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

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

11 10–109.

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

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

17                   (i) the competence of the applicant as to life insurance, health  
18 insurance, or annuities or to any subdivision of them, including contracts for nonprofit  
19 health service plans, vision plans, dental plan organizations, and health maintenance  
20 organizations; and

21                   (ii) the familiarity of the applicant with the applicable laws of the  
22 State.

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

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

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

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

30                   (2) the frequency, times, and places in the State where the written  
31 examinations will be held]; and

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

1 10–119.

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

5 (i) the person currently is licensed as a resident insurance producer  
6 and in good standing in the person’s home state;

7 (ii) the person has submitted or transmitted to the Commissioner  
8 the application for licensure that the person submitted to the person’s home state or a  
9 completed uniform application;

10 (iii) the person has paid the applicable fee under § 2–112 of this  
11 article; and

12 (iv) the person’s home state awards nonresident insurance producer  
13 licenses to residents of this State on the same basis.

14 (2) An individual who applies for an insurance producer license in this  
15 State who was previously licensed for the same lines of authority in another state need not  
16 comply with the [education, experience, and] examination requirements of §§ 10–104,  
17 10–105, and 10–107 through 10–109 of this subtitle if:

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

20 (ii) the application is received by the Commissioner within 90 days  
21 after the cancellation of the applicant’s previous license and the prior state issues a  
22 certification that, at the time of cancellation, the applicant was in good standing in that  
23 state; or

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

27 (h) (1) A person licensed as an insurance producer in another state who moves  
28 to this State shall apply to become licensed as a resident insurance producer under §  
29 10–111 of this subtitle within 90 days after establishing legal residence in this State.

30 (2) If the person applies to become licensed as a resident insurance  
31 producer within 90 days after establishing legal residence in the State, the person need not  
32 comply with the [education, experience, and] examination requirements of §§ 10–104,  
33 10–105, and 10–107 through 10–109 of this subtitle to obtain a license for any line of  
34 authority that the person previously held in the prior state, except where the Commissioner  
35 determines otherwise by regulation.

1 10–120.

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

5 (1) is otherwise qualified; and

6 (2) is:

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

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

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

13 10–122.

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 or  
16 a business entity that sells travel insurance.

17 10–124.

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

22 (1) between the health maintenance organization and the Maryland  
23 Department of Health; and

24 (2) in accordance with which the Maryland Department of Health obtains  
25 prepaid comprehensive health care services for recipients of medical assistance under §  
26 15–105 of the Health – General Article.

27 10–125.

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

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

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

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

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

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

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

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
Speaker of the House of Delegates.

\_\_\_\_\_  
President of the Senate.