

Comments will be accepted through June 11, 2018. A public hearing has not been scheduled.

.02 Maryland Surplus Lines Brokers' Licenses.

Before placing any surplus line or otherwise acting as a surplus lines broker, where Maryland is the Home State of the insured, it will be the responsibility of each individual so acting to acquire a valid Maryland surplus lines broker's [license] *certificate of qualification*. The [licensee] *broker* will be held responsible for securing timely renewals of the [licensee's license] *broker's certification of qualification* in order to place new business and provide a continuity of service to clients for whom the [licensee] *broker* has previously acted. Each original surplus lines broker's [license] *certificate of qualification* shall be issued for a term expiring [on June 30 of the next odd-numbered year following the date of issuance] *every other year on the date stated on the certificate of qualification* and may be renewed biennially thereafter.

ALFRED W. REDMER, JR.
Insurance Commissioner

**Subtitle 03 INSURANCE PRODUCERS
AND OTHER INSURANCE
PROFESSIONALS**

31.03.18 Public Adjusters

Authority: Insurance Article, §§2-109, 2-209, and 10-408, Annotated Code of Maryland

Notice of Proposed Action

[18-123-P]

The Insurance Commissioner proposes to amend Regulations .02 and .03 and adopt new Regulations .04—.16 under COMAR 31.03.18 Public Adjusters.

Statement of Purpose

The purpose of this action is to amend regulations pursuant to Insurance Article, §10-408(i), Annotated Code of Maryland. These changes are being made to detail the process for regulation of continuing education courses for public adjusters. Specifically, the holders of expired licenses seeking reinstatement requirements; the requirements for nonresident public adjusters; the responsibilities of licensed public adjusters; the approval of courses, course coordinators, and instructors; the requirements on providers of courses; the advertising of courses; the prohibited practices; the powers of the Commissioner; and the waiver of continuing education requirements are all laid out.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Lisa Larson, Director of Regulations, Maryland Insurance Administration, 200 Saint Paul Place, Suite 2700, Baltimore, MD 21202, or call 410-468-2007, or email to insuranceregrev.mia@maryland.gov, or fax to 410-468-2020.

Comments will be accepted through June 11, 2018. A public hearing has not been scheduled.

.02 Definitions.

A. (text unchanged)

B. Terms Defined.

(1)—(2) (text unchanged)

(3) "*Course completion date*" means the date when a student has submitted all necessary information to the education provider and, when applicable, successfully met the course attendance requirements or passed the final examination, or both.

(4) "*Course completion roster*" means a listing of candidates who have completed a continuing education course, provided in a format determined by the Commissioner, which includes the following:

(a) The course name, the designated course number, and the course completion date;

(b) The provider's identification number;

(c) The instructor's license number, if applicable; and

(d) For each student who completes the course:

(i) The student's name;

(ii) The student's national producer number or the student's license number, or both; and

(iii) The number of hours of continuing education earned by the student.

(5) "*Course coordinator*" means an individual who is responsible for organizing a continuing education course, getting it approved by the Insurance Commissioner, and supervising the administration of the course after its approval.

(6) "*Expiration date*" means the date the license expires as stated on the license.

(7) "*Hours of continuing education*" means 50 minutes of work in a course that has been approved by the Commissioner to receive continuing education credit.

(8) "*Instructor*" means a subject matter expert, approved by the Commissioner, presenting course activities or information in a course approved by the Commissioner.

[(3)] (9)—[(4)] (10) (text unchanged)

(11) "*Provider*" means an entity that has been approved by the Commissioner to offer continuing education courses to licensed insurance producers in the State.

[(5)] (12)—[(6)] (13) (text unchanged)

(14) "*Renewal year*" means the 12-month period from January 1 until December 31 in which a license renewal occurs.

(15) "*Self-study course*" means a course that is not presented in a classroom, is not delivered in person, and does not require interaction with an instructor.

(16) "*Successfully complete*" means to complete and meet all requirements of an approved course for which a valid certificate of course completion has been issued.

(17) "*Teleconference*" means the live exchange of information among several persons who are separately located but linked by audio or video, or both, that provides for opportunities for interactions between student and instructor.

.03 General Continuing Education Requirements.

A.—C. (text unchanged)

D. *Course of Continuing Education—Passing Scores.* Passing scores received on or after the expiration date for the public adjuster's license shall result in hours of continuing education that may be used for the next renewal period.

E. *A course instructor shall earn 1-1/2 hours of continuing education for each approved hour of instruction of an approved course.*

F. A public adjuster or a course instructor may not earn hours of continuing education for attending or instructing a subsequent offering of the same course in the same renewal period.

.04 Holders of Expired Licenses Who Seek Reinstatement.

A. The holder of an expired license who seeks reinstatement of the license under Insurance Article, §10-408.1, Annotated Code of Maryland, shall fulfill the continuing education requirements for the renewal period that concluded on the day before the immediately preceding expiration date of the licensed public adjuster's license in order to qualify for reinstatement.

B. A licensed public adjuster who does not have sufficient hours of continuing education on the day before the most recent expiration date of the license will have all hours of continuing education earned on or after the expiration date credited toward the requirement for the renewal period that concluded on the day before the license expired.

.05 Nonresident Licensed Public Adjusters.

A. A nonresident licensed public adjuster whose state or residence has a continuing education requirement shall fulfill all of the requirements of the state of residence, and the continuing education requirements of Maryland may not be applicable to the licensed public adjuster.

B. A nonresident licensed public adjuster whose state of residence does not have a continuing education requirement shall fulfill Maryland continuing education requirements, which may be fulfilled entirely through correspondence courses.

.06 Licensed Public Adjuster Responsibilities.

A. A licensed public adjuster shall:

(1) Maintain a record of the certificate of course completion received for 4 years following the date that the course was completed; and

(2) Upon request, submit with the renewal application each certification of course completion needed to fulfill the licensed public adjuster's hours of continuing education for the renewal period.

B. Under Insurance Article, §10-410, Annotated Code of Maryland, the Commissioner may suspend or revoke a license if a licensed public adjuster is found to have knowingly:

- (1) Falsified a certification of course completion; or
- (2) Submitted a falsified certification of course completion.

.07 Approval of Courses.

A. A continuing education course shall be submitted to the Commissioner for approval. The Commissioner may approve a course only if the course imparts substantive and procedural knowledge relating to the insurance field.

B. The Commissioner may not approve a course covering any of the following subject areas:

- (1) A course in office or business skills, including typing, speed reading, or the use of computers, calculators, or other machines or equipment;
- (2) A course in office management, client relations, or other matters aimed at improving the operating of the person's business; or
- (3) A course in salesmanship or product promotion, stress management, time management, psychology, motivation, or written or oral communications.

C. Except for a self-study course, a course submitted to the Commissioner for approval does not need to require a textbook or an examination in order to receive approval.

D. The Commissioner shall assign to each approved course:

(1) The number of hours of continuing education that an individual taking the course may receive for successful completion of the course;

(2) A designated course number that is provided on all certificates of course completion, all correspondence relating to the course, and on all forms filed with the Commissioner relating to the course;

(3) A designation of "Public Adjuster", "Property/Casualty" or "Ethics"; and

(4) A course expiration date.

.08 Submission of Courses for Approval.

A. A provider shall submit to the Commissioner:

(1) A fully completed course approval package consisting of the following forms provided by the Commissioner:

- (a) Request for approval of continuing education course;
- (b) Course coordinator information;
- (c) Course instructor information and approval form;
- (d) Certificate of course completion; and
- (e) Checklist of items that must accompany the course approval package;

(2) A statement of the educational objectives;

(3) A full and detailed description of the course content including the amount of time allotted to each subject covered by the course on an hour-by-hour basis;

(4) All course materials, including textbooks, written materials in place of textbooks, course syllabus, policy forms, and any other items used by the instructor;

(5) Promotional materials; and

(6) A statement of the refund policy, which shall include:

(a) Full refund of course fees due to cancellation by the sponsor; and

(b) The refund policy when the licensed insurance producer:

- (i) Withdraws from the course before commencement; and
- (ii) Fails to complete the course after it has commenced.

B. The provider shall submit a course approval package to the Commissioner as follows:

(1) A course previously approved in another state or jurisdiction that has adopted the "NAIC Uniform Declaration Regarding Continuing Education Reciprocity Course Approval Guidelines" shall be submitted using the NAIC Uniform Continuing Education Reciprocity Course Filing Form at least 30 days before the first date on which the course is to be taught; or

(2) A course that has not been previously approved in a state that has adopted the "NAIC Uniform Declaration Regarding Continuing Education Reciprocity Course Approval Guidelines" shall be submitted at least 45 days before the first date on which the course is to be taught.

C. The Commissioner shall notify the provider in writing of a course approval and the period of time of the approval, which shall be from the date of the approval until the second anniversary of the date the course was approved.

D. A provider may offer only a course approved by the Commissioner.

.09 Submission of Courses for Renewal.

A. At least 90 days prior to the expiration of a course's approval, the Commissioner shall mail to the provider of the approved course a notice that states:

(1) The course name, the course content code, the course number, and the date on which the course approval expires;

(2) The date by which the Commissioner must receive the request to renew; and

(3) The fee charged for reviewing continuing education courses submitted for renewal.

B. In order to renew a course, a provider shall comply with the provisions of Regulation .08 of this chapter.

.10 Providers.

A. A provider shall:

- (1) Comply with this chapter for each of the provider's approved courses;
- (2) Use in all communication with the Commissioner or the Commissioner's designee the provider identification number assigned by the Commissioner;
- (3) Use a course coordinator who meets the qualifications specified in Regulation .11 of this chapter;
- (4) Use an approved instructor; and
- (5) Notify the Commissioner of the replacement of a course coordinator.

B. A provider who is an insurer authorized to do business in Maryland may not require an appointed insurance producer to obtain hours of continuing education by attending an approved course that the insurer is providing.

C. Within 15 days of the completion of a course, the provider shall submit a course completion roster to the Commissioner or the Commissioner's designee in an electronic format specified by the Commissioner.

.11 Course Coordinators.

A. The provider shall ensure that each approved continuing education course has at least one course coordinator who is responsible for:

- (1) Supervising the administration of the course; and
- (2) Compliance with this chapter.

B. A course coordinator shall possess one or more of the following qualifications:

- (1) A minimum of 5 years experience as an actively licensed public adjuster;
- (2) A minimum of 3 years experience as an administrator of an education program;
- (3) A degree in education and at least 2 years experience as a licensed public adjuster; or
- (4) Full-time employment in the insurance education field as a coordinator with at least 6 months experience.

C. A course coordinator shall:

- (1) Assure compliance with this chapter;
- (2) Notify the Commissioner of:
 - (a) Any change in the instructor for an approved course;
 - (b) The date, time, and location of a course offering and the name of the instructor not less than 14 calendar days in advance of the date that the course offering is scheduled to begin; and
 - (c) The cancellation of a course offering as soon as reasonably possible;
- (3) Assure that students are provided with current and accurate information;
- (4) Create an accurate record of student attendance and successful course completion for each offering of an approved course;
- (5) Supervise and evaluate courses and instructors;
- (6) Investigate complaints relating to course offerings and instructors;
- (7) Maintain accurate records relating to course offerings, instructors, student attendance, and student course completion for a minimum of 4 years following the date of the course offering; and
- (8) Within 15 days of the student's completion of the course, provide each student with a certificate of course completion on a form approved by the Commissioner.

.12 Instructors.

A. The provider shall ensure that each continuing education course approved by the Commissioner is taught by an instructor who has been approved by the Commissioner as meeting the qualifications specified in this chapter.

B. The provider shall submit to the Commissioner a course instructor information and approval form for each instructor of an approved course.

C. An instructor shall possess one or more of the following qualifications:

- (1) A minimum of 2 years experience in the subject matter being taught;
- (2) A degree in the subject matter being taught; or
- (3) A minimum of 2 years recent experiences as a licensed public adjuster and a minimum of 6 months practical experience in the subject matter being taught.

D. The Commissioner may not approve as an instructor a licensed public adjuster:

- (1) Who has been fined; or
- (2) Whose license has been suspended or revoked.

E. An instructor shall:

- (1) Comply with the requirements of this chapter; and
- (2) Provide students with:
 - (a) Current and accurate information on the subject matter of the course; and
 - (b) A course syllabus that shall contain at least the following information:
 - (i) Course title and designated course number assigned by the Commissioner;
 - (ii) Times and dates of the course offering;
 - (iii) Names, addresses, and telephone numbers of each course coordinator; and
 - (iv) Detailed outline of the subject matter of the course.

F. The Commissioner may revoke the approval of any course that is not taught by an approved instructor.

.13 Advertising of Approved Courses.

A. Except as provided in §D of this regulation, a provider may not advertise or distribute promotional materials unless the course has been approved by the Commissioner.

B. Advertisements and promotional materials may not be deceptive or misleading and shall, at a minimum, clearly identify the number of hours of continuing education for which a course has been approved and the fee for taking the course.

C. A provider of an approved course who advertises or promotes a course that has not been approved or a course that is not eligible for approval shall prominently state that no hours of continuing education can be earned by taking the course.

D. A provider may request, in writing, permission to advertise a course before approval is obtained from the Commissioner by submitting:

- (1) A letter specifically requesting permission to advertise the course before approval is obtained; and
- (2) With the course approval package, all advertisements or promotional materials that will be used before approval and which shall prominently include the words "approval from the Insurance Administration pending".

E. The Commissioner shall issue the provider a written response either granting or denying the provider's request for course approval. The provider may not advertise the course until the Commissioner has granted the request.

.14 Prohibited Practices.

The following practices by a provider, course coordinator, or instructor are prohibited:

- A. Offering or teaching a course that is not approved or that is not in substantial conformity with the course completion package submitted to and approved by the Commissioner;
- B. Promoting a particular public adjuster, insurance agency or insurance company or products of the agency or company; and

C. Requiring, as a condition of receiving a certificate of course completion, that students participate in other programs or services offered by the provider, course coordinator, or instructor.

.15 Powers of the Commissioner.

A. The Commissioner, or the Commissioner's designee, may audit all course offerings with or without notice to the provider, course coordinator, or instructor of the course.

B. The Commissioner may suspend or revoke the approval of a course for any of the following violations of this chapter:

(1) Failure of the instructor to follow the approved course content;

(2) Failure to use a course coordinator meeting the qualifications specified in this chapter;

(3) Failure to use an approved instructor;

(4) Failure to notify the Commissioner of the date, time, location, and instructor of a course offering in accordance with Regulation .11C(2)(b) of this chapter; or

(5) Failure to submit a course completion roster in accordance with Regulation .10C of this chapter.

C. The Commissioner may suspend or revoke all approved courses of a particular provider for a violation of this chapter or refuse to approve a course submitted by a specific provider if the Commissioner determines that a past course offering by that provider was not in compliance with this chapter.

D. The Commissioner may suspend or revoke the approval of any instructor, course coordinator, or course provider who fails to comply with this chapter.

.16 Waiver of the Continuing Education Requirement.

A. Subject to §B of this regulation, the continuing education requirements may be waived for a licensed insurance producer who:

(1) Submits a written request for a waiver; and

(2) Is determined by the Commissioner, in the Commissioner's discretion, to warrant a waiver.

B. A waiver request shall be accompanied by supporting documentation.

ALFRED W. REDMER, JR.
Insurance Commissioner

Subtitle 08 PROPERTY AND CASUALTY INSURANCE

31.08.15 Underwriting Period

Authority: Insurance Article, [§§2-109(a)(1) and 12-106(a)—(d), and (f)(1) and (2)] §§2-109, 11-205, 11-306, 12-106, and 19-406, Annotated Code of Maryland

Notice of Proposed Action

[18-122-P]

The Maryland Insurance Commissioner proposes to amend Regulations .04 and .05 under **COMAR 31.08.15 Underwriting Period**.

Statement of Purpose

The purpose of this action is to amend COMAR 31.08.15.04 to add examples of acceptable reasons for the increase or reduction in the premium, to specify what must be included in an insurer's form if an insurer utilizes a form other than the one contained in COMAR 31.08.15.05, and to update the mailing notice requirements. This action also updates the form contained in COMAR 31.08.15.05.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Lisa Larson, Regulations Manager, Maryland Insurance Administration, 200 St. Paul Place, or call 410-468-2007, or email to insuranceregreview.mia@maryland.gov, or fax to 410-468-2020. Comments will be accepted through June 11, 2018. A public hearing has not been scheduled.

.04 Discovery of Material Risk Factor During Underwriting Period.

A. — B. (text unchanged)

C. Reason for Increase or Reduction in Premium.

(1) In stating the [reason] reasons for the increase or reduction in the premium, the insurer shall:

(a) Identify] *identify* each material risk factor that was discovered during the 45-day underwriting period[;] and,

[(b) With respect to] *for* each material risk factor, [explain with specificity] *provide an explanation* why the material risk factor required the premium to be recalculated in language that is reasonably understandable to the average policyholder.

(2) *Examples of acceptable reasons required by §C(1) of this regulation include, but are not limited to:*

(a) *Premium recalculated due to [NAME OF DRIVER] moving violation on [DATE OF EVENT];*

(b) *Safe driver discount removed due to [NAME OF DRIVER] at fault loss on [DATE OF EVENT];*

(c) *[NAME OF DRIVER] was not listed on the application. Policy must be re-rated or signed driver exclusion must be completed;*

(d) *Applicant does not currently have an automobile policy with the Company, Multi Policy Discount removed;*

(e) *Policy was issued without the auto/home discount; or*

(f) *Premium recalculated due to lack of a central alarm system.*

[(2)] (3) (text unchanged)

D. Form of Notice.

(1) (text unchanged)

(2) *If an insurer utilizes a form other than the one contained in Regulation .05 of this chapter, the form shall:*

(a) *Include a statement that the insured may contact the insurer or, if applicable, the insured's insurance producer for additional information concerning the reason for the insurer's action and how the action affected the premium charged; and*

(b) *Provide the telephone number for the insurer that the insured may use to obtain additional information about the insurer's action, or, in lieu of the insurer's contact information, provide the telephone number for the insured's insurance producer.*

[(2)] (3) (text unchanged)

E. Delivery of Notice.

(1) An insurer that is required to provide a written notice under §B of this regulation shall send the notice to the policyholder not later than the end of the 45-day underwriting period by:

(a) [Certificate of mailing] *First-class mail tracking method;*

or

(b) (text unchanged)

(2) (text unchanged)