
A. Qualification to Sell Variable Life Insurance.

1. A person may not sell or offer for sale in this State any variable life insurance policy unless the person is [an agent] a producer and has filed with the Commissioner, in a form satisfactory to the Commissioner, evidence that the person holds [any] a license [or authorization] and other authorizations which may be required by any federal or State securities law for the solicitation,[or] sale or negotiation of variable life insurance [by any federal or state securities law].

2. A person may not solicit, sell, [take applications for,] or act or aid in any manner in the negotiation of a variable life insurance policy unless [he] such person has been so qualified [for the sale of life insurance and annuities in accordance with the provisions of Insurance Article, Title 10, Subtitle 1, Annotated Code of Maryland, including passing the written examination required under] in accordance with the provisions of Insurance Article, §§ 10-105 and 10-109, Annotated Code of Maryland, and is [specifically] licensed by the Commissioner to act as [agent or broker in regard to variable life insurance] a producer of life insurance policies.

B. Reports of Disciplinary Actions and Criminal Prosecution. A person qualified in this State under this regulation to [sell or offer to sell] act as a producer of variable life insurance policies shall immediately report to the Commissioner in accordance with Insurance Article §§10-126(f) and (g), Annotated Code of Maryland:

1. Suspension or revocation of [his agent's] a producer license in any other state or territory of the United States;

2. Imposition of disciplinary sanction, including suspension or expulsion from [membership,] membership;
   [suspension,] suspension or revocation [of] or denial of [registration,] registration imposed upon [him] the producer by any national securities [exchange,] exchange or national securities [association,] association or any federal, state, or territorial agency with jurisdiction over securities or variable life insurance;

3. Judgment or injunction entered against [him] the producer on the basis of conduct deemed to have involved fraud, deceit, misrepresentation, or violation of any insurance or securities law or regulation[.]; or

4. Criminal prosecution as defined in Insurance Article §10-126(f), Annotated Code of Maryland.

C. Refusal to Qualify [Agent] Producer to Sell Variable Life [Insurance] Insurance —Suspension, [Revocation,] Revocation or Nonrenewal of Qualification. The Commissioner may reject an application or suspend, [or] revoke, or refuse to renew [any agent's] a producer’s qualification under this regulation to solicit, sell or [offer to sell] negotiate variable life insurance policies upon any ground that would bar the applicant or [agent] producer from being licensed to solicit, sell, or negotiate [other] life insurance [contracts] policies in this State. The rules governing [a proceeding] proceedings relating to the rejection of a producer’s application, suspension or revocation of [an agent's] a producer’s license or refusal to renew a producer’s license shall also govern [the proceeding for suspension or revocation of an agent's qualification to sell or offer to sell variable life insurance] proceedings under this regulation.