

Title 31 MARYLAND INSURANCE ADMINISTRATION

Subtitle 09 LIFE INSURANCE AND ANNUITIES

Chapter 04 Contracts on a Variable Basis

Authority: Insurance Article, §§2-109,[8-442(d), and 16-601—16-603,] Annotated Code of Maryland

.03 Qualifications of [Agents and Brokers] Producers.

A. Qualification to Sell Variable Annuity Contracts.

(1) A person may not sell or offer for sale in this State any variable annuity contract unless the person is [an agent or broker] *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 annuities [by any federal or State securities law].

(2) A person may not in this State solicit, sell, [take applications for,] or act or aid in any manner in the negotiation of any *variable* contract [on a variable basis] 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 the sale of contracts on a variable basis] *a producer of life insurance and annuity contracts*.

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 annuity [insurance] contracts* 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 [the person's 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 imposed upon the [person] *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 annuity [insurance] *contracts*;

(3) Judgment or injunction entered against the [person] *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 Annuity [Insurance] *Contracts*—Suspension, [Revocation,] *Revocation* or Nonrenewal of Qualification. The Commissioner may reject an application or suspend, revoke, or refuse to renew a [agent's] *producer's* qualification under this regulation to *solicit*, sell or [offer to sell] *negotiate* variable annuity [insurance] *contracts* 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 [proceeding for suspension or revocation of an agent's qualification to sell or offer to sell variable annuity insurance] *proceedings under this regulation*.