

Bill No.: _____

Requested: _____

Committee: _____

Drafted by: Departmental

Typed by: Fran

Stored – 11/07/19

Proofread by _____

Checked by _____

By: **Leave Blank (By Request – Departmental – Maryland Insurance Administration)**

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Nonresident Insurance Producers – Cancellation**

3 FOR the purpose of requiring the holder of a nonresident insurance producer license to
4 maintain a certain licensing status in the holder’s home state; authorizing the
5 Maryland Insurance Commissioner to cancel a nonresident producer license after
6 receiving notification that the producer no longer has a home state license; making
7 stylistic changes; and generally relating to nonresident insurance producers.

8 BY repealing and reenacting, with amendments,
9 Article – Insurance
10 Section 10–119
11 Annotated Code of Maryland
12 (2017 Replacement Volume and 2019 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
14 That the Laws of Maryland read as follows:

15 **Article – Insurance**

16 10–119.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) Except as otherwise provided in this section, the Commissioner shall waive
2 any license application requirements for an applicant who is not a resident of this State if:

3 (1) the applicant has a valid license from the home state of the applicant;
4 and

5 (2) the home state of the applicant awards nonresident licenses to residents
6 of this State on the same basis.

7 (b) (1) Subject to paragraph (2) of this subsection and unless denied a license
8 [pursuant to] **UNDER** § 10–126 of this subtitle, a person that is not a resident of this State
9 may obtain a nonresident license to act as an insurance producer if:

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

12 (ii) the person has submitted or transmitted to the Commissioner
13 the application for licensure that the person submitted to the person’s home state or a
14 completed uniform application;

15 (iii) the person has paid the applicable fee [pursuant to] **UNDER** §
16 2–112 of this article; and

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

19 (2) An individual who applies for an insurance producer license in this
20 State who was previously licensed for the same lines of authority in another state need not
21 comply with the education, experience, and examination requirements of §§ 10–104,
22 10–105, and 10–107 through 10–109 of this subtitle if:

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

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

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

4 (C) IN ORDER TO MAINTAIN A NONRESIDENT LICENSE IN THE STATE, A
5 PERSON MUST BE:

6 (1) CURRENTLY LICENSED AS A RESIDENT INSURANCE PRODUCER IN
7 THE PERSON'S HOME STATE; AND

8 (2) IN GOOD STANDING IN THE PERSON'S HOME STATE.

9 [(c)] (D) The Commissioner may verify the licensing status of a nonresident
10 insurance producer through the producer database maintained by the National Association
11 of Insurance Commissioners, its affiliates or subsidiaries.

12 [(d)] (E) Notwithstanding any other provision of this subtitle, a person licensed
13 as a limited line credit insurance producer or other type of limited lines insurance producer
14 in the person's home state is entitled to receive a nonresident limited lines insurance
15 producer license[, pursuant to] UNDER subsection (b) of this section[,] granting the same
16 scope of authority as granted under the license issued by the person's home state.

17 [(e)] (F) (1) Notwithstanding any other provision of this subtitle, a person
18 licensed as a surplus lines broker in the person's home state is entitled to receive a
19 nonresident certificate of qualification as a surplus lines broker under subsection (b) of this
20 section.

21 (2) Except for subsection (b) of this section, nothing in this section
22 supersedes any provision of Title 3, Subtitle 3 of this article.

23 [(f)] (G) (1) A nonresident insurance producer who moves from one state to
24 another state or a resident producer who moves from this State to another state shall:

25 (i) file with the Commissioner a change of address; and

26 (ii) provide to the Commissioner certification from the new resident
27 state within 30 days after the change of legal residence.

1 (2) The Commissioner may not charge a fee or require a license application
2 following a change of legal residence.

3 **[(g)] (H)** (1) A person licensed as an insurance producer in another state who
4 moves to this State shall apply to become licensed as a resident insurance producer under
5 § 10–111 of this subtitle within 90 days **[of] AFTER** establishing legal residence in this
6 State.

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

13 **(I) THE COMMISSIONER MAY CANCEL THE LICENSE OF A NONRESIDENT**
14 **INSURANCE PRODUCER AFTER RECEIVING NOTICE THAT THE PERSON IS NO LONGER**
15 **LICENSED IN THE PERSON’S HOME STATE.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2020.