

PRODUCER LICENSING (P/C & L/H) ADVISORY BOARDS

Meeting Minutes

Meeting Date: June 12, 2018

Call to order: A joint meeting of the **Producer Licensing Life & Health Advisory Board** and the **Producer Licensing Property & Casualty Advisory Board** was held at the Maryland Insurance Administration on **June 12, 2018**. The meeting convened at **10:03** and was called to order by **Erica Bailey**.

Attendance was taken and MIA staff members were introduced. The covered topics and summaries are listed below.

Life/Health Advisory Board		
Last Name	First Name	Present (Yes/No)
Cohen	Stephanie	Yes
Timothy	Daniels	Yes
Frazier	Audrey	No
Huber	Cynthia	Yes
Kafes	Edward	Yes
Riley	James	Phone
Tegeler	Harvey	Phone
Wilson	Venus	Yes
Langrall Jr.	Clarke	Phone
Richards	Megan	Yes

Property/Casualty Advisory Board		
Last Name	First Name	Present (Yes/No)
Demetriou	Ted	Yes
Kellner	Laura	Yes
Langford	Rebekah	Phone
Mettee	Donald	Yes
Micciche	John	Yes
Moody II	Christopher	No
Pelkofsky	Richard	No
Quamina	Courtney	Yes
Slavin	Scott	Yes

Maryland Insurance Administration Staff Attendees:

Last Name	First Name
Bailey	Erica
Arnold	Darlene
Gross	Jeffrey
Donahue	William

Last Name	First Name
Brillante	Lorelei
Gordon	Lauren
Grant	Beverly
Zeigler-Palmer	Stephanie

Meeting Topics and Summaries

Opening Remarks
Associate Commissioner Erica Bailey began the meeting with an introduction and greeting to attendees. Director of Producer Licensing, William Donahue provided opening remarks, announced MIA staff members in attendance, and made a motion to approve the previous minutes. There was a motion to approve the previous minutes, seconded and the motion passed.
License Examination and Application Policy
The Producer Licensing unit has proposed a policy change that would require a resident license applicant to pass the exam within 3 months and submit the license application within 6 months thereafter. The current policy requires applicants to pass the exam within one year and apply for the license within two years after passing. This means an applicant may have up to three years to obtain a license from the time he/she initially passes the exam. The PAB members agreed that a fair amount of time should be 6 months to pass the exam and 6 months to submit the license application thereafter.
CE Reporting
The Producer Licensing unit has proposed a regulatory change that would allow sanctions to be placed on CE providers who fail to report CE within 15 days. Most continuing education providers report in less time but some exceed 15 days. Currently, the MIA has no authority other than to suspend or revoke the provider. The proposed regulation would enable the MIA to assess an administrative penalty of \$100-\$500 per violation.

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Non-Resident Licensees

The Producer Licensing Unit proposed a statutory change that would require non-resident producers to maintain a valid license in their home state. The current legislation does not specify that resident licenses must be maintained. It only states the resident license must be active when the Maryland non-resident license application is submitted. The new statute would permit the MIA to cancel the non-resident license if the producer's resident license is no longer active.

Proposed Legislation

Associate Commissioner, Erica Bailey, posed the question to the board members, "To what extent is it appropriate to place a limit on first year commissions for annuity sales?" The consensus was that there are already sufficient safeguards and barriers in place from the carrier side to ensure that agents are following business guidelines appropriately and ethically.

Commissioner Redmer is also considering implementing a fingerprint requirement for all new producer applications and requested the board members feedback. Many other licensed professionals are required to complete fingerprinting and background checks. The MIA currently relies on self-disclosure but we are looking into requiring preliminary screening for new resident applicants and the costs associated with this process. The PAB members agreed that if producers are handling monies, they should be fingerprinted.

Miscellaneous Announcements

The PL unit has contacted the pre-licensing vendor to develop a course for public adjuster applicants to prepare for the exam. At this time, there is no pre-licensing available for public adjusters.

Title producers are required to complete 13 hours of property and casualty and/or title courses. Producer licensing intends to now require 13 hours of only Title courses now that there are an abundance of courses available. This is not including 3 hours of ethics all producers are required to complete

Flood events have caused the need for bulletin to inform consumers they are able to purchase flood coverage even if they do not reside in flood zones. The bulletin will be released on June 12, 2018.

The next PAB meeting will include a presentation from an organization to discuss the potential advantages of changing from a 2 part to a 1 part exam.

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At 11:41 a.m. a motion was made to adjourn the meeting, seconded and the motion passed. The meeting was adjourned.