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BULLETIN 13-10

Date: March 8, 2013

To: All Licensed Insurance Professionals and All Other Interested Parties

Re: Comment Solicitation on Proposed Regulation 31.03.02 – Insurance Producers – Continuing Education Requirements

The purpose of this bulletin is to notify all licensed insurance producers of the regulation referenced above and to solicit comments from interested parties prior to finalizing and formally submitting the proposed regulation to the Joint Committee on Administrative Executive and Legislative Review (AELR) for review and to the Division of State Documents for publication in the *Maryland Register*. The authority for this regulation can be found in Section 10-116 of the Insurance Article, Annotated Code of Maryland. The proposed regulation updates a section of Maryland Insurance Administration (MIA) regulations specific to continuing education. A copy of the proposed regulation is attached to this bulletin.

Specifically, the proposed regulation requires licensed insurance producers to successfully complete at least 24 hours of continuing education in each renewal period and provides that licensed insurance producers who, as of October 1, 2008, held licenses for 25 or more consecutive years successfully complete 8 hours of continuing education in each renewal period. Additionally, a licensed insurance producer must obtain at least 3 hours of continuing education in Ethics.

Other provisions of the proposed regulation eliminate a requirement that mandates that no more than 50% of courses be completed online. The proposed regulation also requires that providers of continuing education courses report course completions to the MIA within 15 days instead of the current 30 day reporting period. Lastly, the amendment requires that continuing education providers re-submit courses and materials for approval every 6 years.

Written comments will be accepted for thirty days from the date of this bulletin's issuance. All comments should be addressed to Valeria Williams, Director of the Producer Licensing Division at valeria.williams@maryland.gov. If you have questions, you may reach Ms. Williams Monday – Friday 8 a.m. – 4:30 p.m. at 410-468-2397.

Sabrina Wells
Associate Commissioner, Administration

Title 31 MARYLAND INSURANCE ADMINISTRATION

Subtitle 03 INSURANCE PRODUCERS AND OTHER INSURANCE PROFESSIONALS

Chapter 02 Insurance Producers — Continuing Education Requirements

Authority: Insurance Article, §§2-108, 2-109, 10-115, and [10-101—10-132] 10-116, Annotated Code of Maryland

.01 Scope.

A. This chapter applies to individual *licensed* insurance producers, resident and nonresident, who seek to renew a license under the Insurance Article, except for those individuals holding the type of license described in Insurance Article, §10-116(b), Annotated Code of Maryland.

B. (text unchanged)

.02 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) — (4) (text unchanged)

[(5) "Credit hour" means 50 minutes of classroom work, or its equivalent, in a course that has been approved by the Commissioner to receive continuing education credit.]

[(6)] (5) "Expiration date" means the *date the license expires as stated on the license*. [second anniversary of the date that a license was issued or renewed].

(6) "*Hour of Continuing Education*" means 50 minutes of classroom work, or its equivalent, in a course that has been approved by the Commissioner to receive continuing education credit.

(7) — (9) (text unchanged)

(10) "*Preneed Contract*" has the meaning stated in COMAR 31.02.03.03B (10).

[10](11) "Renewal period" means the [24-month] period from the issuance or renewal of a license until the day before the expiration date of the license.

[11](12) (text unchanged)

(13) "*Senior Prescription Drug Assistance Program*" refers to the subsidy program established under Insurance Article, Title 14, Subtitle 5, Part II, Annotated Code of Maryland.

[12](14) (text unchanged)

[(13)](15) (text unchanged)

(16) "*Viatical Settlement Broker*" has the meaning stated in Insurance Article §8-601(k), Annotated Code of Maryland.

.03 General Continuing Education Requirements.

A. *Except as set forth in §B of this regulation*, [In] order to renew a license, a licensed insurance producer shall successfully complete in each renewal period [16]at least 24 [credit] hours of continuing education [if the individual has held a license for less than 25 consecutive years beginning with the renewal year of the licensed insurance producer and counting back to the year that the license was first obtained].

B. A licensed insurance producer who has, *as of October 1, 2008*, held a license for 25 or more consecutive years [beginning with the renewal year of the licensed insurance producer and counting back to the year that the license was first obtained] shall successfully complete 8 [credit] hours of continuing education in each renewal period in order to renew the license. [The licensed insurance producer shall submit with the renewal application an affidavit stating that for the past 25 consecutive years a license has been held, and the licensed insurance producer has been employed in the selling of insurance in Maryland.]

C. *A licensed insurance producer must obtain at least 3 hours of continuing education in Ethics.*

D. *Provided that the licensed insurance producer complies with the mandatory requirements of this regulation, the licensed insurance producer may select between topics in "Property/Casualty" and "Life/Health" to fulfill the requirements of this regulation.*

[C.] E. A [Licensed] *licensed* insurance [producers] producer shall obtain *hours of continuing education* [credit hours] in the kind or subdivision of insurance for which they hold a license, as follows:

(1) If the licensed insurance producer has only a license for property insurance, casualty insurance, or any of the subdivisions of property or casualty insurance, the licensed insurance producer shall obtain all necessary [credit] hours of *continuing education* in courses designated by the Commissioner as "Property/Casualty" or "PC";

(2) If the licensed insurance producer has only a license for life insurance, health insurance, or any of the subdivisions of life or health insurance, the licensed insurance producer shall obtain all necessary [credit] hours of *continuing education* in courses designated by the Commissioner as "Life/Health" or "LH"; or

(3) If the licensed insurance producer has a license for both property or casualty, or any subdivision of property or casualty, and life or health, or any subdivision of life or health, then a licensed insurance producer who must complete:

(a) [16] 24 [credit] hours of continuing education shall obtain a minimum of [4] 6 [credit] hours of *continuing education* in one or more courses designated "Property/Casualty" and a minimum of [4] 6 [credit] hours of *continuing education* in one or more courses designated "Life/Health", or

(b) 8 [credit] hours of continuing education shall obtain a minimum of 2 [credit] hours of *continuing education* in one or more courses designated "Property/Casualty" and a minimum of 2 [credit] hours of *continuing education* in one or more courses designated "Life/Health."

(c) A licensed insurance producer who holds a title insurance producer license only shall successfully complete at least 16 hours of continuing education in each renewal period in order to renew the license.

(d) A licensed insurance producer who also is a licensed funeral director or a licensed mortician and sells only life insurance policies or annuity contracts that fund a preneed contract and is not a viatical settlement broker shall complete 16 hours of continuing education in each renewal period in order to renew the license.

F. Sales of Long-Term Care Insurance

[D.] (1) A licensed insurance producer with authority to sell health insurance who also sells long-term care insurance shall obtain at least 2 [credit] hours of *continuing education* in a course designated "Long Term Care" or "LH-LTC" in order to renew the license. [These credit hours may be considered a part of the life/health credit hours required under §C(2) or (3) of this regulation.]

(2) These hours of continuing education may be considered a part of the required hours of continuing education under Section A or B of this regulation.

G. A licensed insurance producer who possesses a license to sell property and casualty insurance and who sells flood insurance shall obtain at least 2 hours of continuing education that directly relates to flood insurance.

[E.] H. [A licensed insurance producer shall attend a course in its entirety or fulfill all requirements of a correspondence course in order to receive the number of continuing education credit hours that the Commissioner has assigned to the course.] A licensed insurance producer who possesses a license to sell health insurance and who markets the Senior Prescription Drug Assistance Program or assists a Medicare beneficiary to enroll in the Senior Prescription Drug Assistance Program shall obtain continuing education that directly relates to the Senior Prescription Drug Assistance Program.

[F.] I [Credit] Hours of Continuing Education—Passing Scores.

(1) A licensed insurance producer who receives a passing score on a national examination before the expiration date of the licensed insurance producer's license shall receive the number of hours of continuing education [credit hours] that the Commissioner has approved for the examination towards the [credit] hours of continuing education needed for the renewal.

(2) Passing scores received on or after the expiration date for the licensed insurance producer's license shall result in [credit] hours of continuing education that may be used for the next renewal period.

(3) Hours of [Continuing] continuing education [credit hours] received for a passing score on a national examination are in addition to any hours of continuing education [credit hours] received for completing a course that is required in order to take the national examination and that has been approved by the Commissioner under this chapter.

[G. A licensed insurance producer may not obtain more than one half of the required credit hours from approved correspondence courses.]

[H.] J. A course instructor shall earn 1 1/2 hours of continuing education [credit hours] for each approved hour of instruction of an approved course.

[I.] K.. A licensed insurance producer or a course instructor may not earn [credit] hours of continuing education:

(1) — (2) (text unchanged)

.04 Holders of Expired Licenses Who Seek Reinstatement.

A. The holder of an expired license who seeks reinstatement of the license under Insurance Article, §10-116.1, 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 insurance producer's license in order to qualify for reinstatement.

B. [If the licensed insurance producer did not have sufficient credit hours on the day before the immediately preceding expiration date of the insurance producer's license to renew the license, then all credit hours earned on or after the expiration date shall be credited toward the continuing education credit hours needed to qualify for the renewal period that concluded on the day before the immediately preceding expiration date.] A licensed insurance producer 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 (text unchanged)

.06 Licensed Insurance Producer Responsibilities.

- A. A licensed insurance producer shall:
 - (1) (text unchanged)
 - (2) *Upon request* [Submit] *submit* with the renewal application each certificate of course completion needed to fulfill the licensed insurance producer's *hours of continuing education* [credit hours] for the renewal period.
- B. (text unchanged)

.07 Approval of Courses.

- A. — C. (text unchanged)
- D. The Commissioner shall assign to each approved course:
 - (1) The number of [credit] *hours of continuing education* that an individual taking the course may receive for successful completion of the course;
 - (2) (text unchanged)
 - (3) A designation of "Property/Casualty," "Life/Health," [or] "Long Term Care" *or Ethics*.

.08 Submission of Courses for Approval.

- A. A sponsor shall submit to the Commissioner:
 - (1) — (6) (text unchanged)
 - [(7) If the Commissioner contracts with a vendor to review and approve continuing education courses, the fee charged by the vendor.]
- B. — D. (text unchanged)
- E. *Courses shall be submitted to the Commissioner for renewal at least every 2 years.*
- F. *A course, including one that previously has been approved by the Commissioner, shall be re-submitted for approval at least every 6 years as set forth in this regulation.*

.09 Sponsors.

- A. (text unchanged)
- B. A sponsor who is an insurer authorized to do business in Maryland may not require appointed *licensed* insurance producers to obtain *hours of continuing education* [credit hours] by attending approved courses that the insurer is sponsoring.
- C. *Within 15 days of the completion of the course, [All] sponsors shall report information relating to course completion to the Commissioner or the Commissioner's designee in an electronic format specified by the Commissioner. The data elements required by the Commissioner include:*
 - (1) — (3) (text unchanged)
 - (4) [Credit hours] *Hours of continuing education* earned;
 - (5) — (6) (text unchanged)

.10 Course Coordinators.

- A. — (B) (text unchanged)
- C. A course coordinator shall:
 - (1) — (7) (text unchanged)
 - (8) *Within 15 days of the student's completion of the course, [Provide] provide each [students] student with a certificate of course completion[,] on a form approved by the Commissioner[, within 30 days of the student's completion of the course].*

.11 (text unchanged)

.12 Advertising of Approved Courses.

- A. (text unchanged)
- B. Advertisements and promotional materials may not be deceptive or misleading and shall, at a minimum, clearly identify the number of [credit] *hours of continuing education* for which a course has been approved and the fee for taking the course.
- C. A sponsor of approved courses who advertises or promotes courses that have not been approved or courses that are not eligible for approval shall prominently state that no [credit] *hours of continuing education* can be earned by taking the course.
- D. — E. (text unchanged)

.13 (text unchanged)

.14 Powers of the Commissioner.

- A. The Commissioner and the members of an advisory board may audit all course offerings with or without notice to the sponsor, 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) — (2) (text unchanged)

- (3) Failure to use an approved instructor; [and]
- (4) Failure to notify the Commissioner of the date, time, location, and instructor of a course offering in accordance with Regulation 31.03.02.10C (2) (b) of this chapter[.]; or
- (5) Failure of a course provider to, more than 3 times in 1 year, report a roster of candidates who have completed a continuing education course.

C. (text unchanged)

D. The Commissioner may suspend or revoke the [license or impose an administrative penalty on any instructor or course coordinator] *certificate of any instructor, course coordinator or course sponsor* who fails to comply with this chapter.

.15 Repeal

.16 Waiver of the Continuing Education Requirement.

[The continuing education requirements are waived for a licensed insurance producer who:]

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

[A.].1. — [B.].2. (text unchanged)

B. *A waiver request that is based on military service or extenuating circumstances shall be accompanied by supporting documentation.*

.17 (text unchanged)

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