

December 17, 2020

Ms. Lisa Larson

Director of Regulatory Affairs

St. Paul Plaza, 200 St. Paul Place, Suite 2700

Baltimore, MD 21202 – 2272

Via email: InsuranceRegReview.mia@maryland.gov

In Re: Proposed Regulation Changes to Producer Register Requirements

Dear Ms. Larson,

We appreciate the opportunity to provide comments on proposed changes to the Code of Maryland Regulations, requiring insurers to provide “the full name and residence of the individual [producer] as it appears in the Maryland license record” in the insurer’s producer register under Md. Code Regs. 31.03.13.02(B)(1)(b)], as well as written documentation of appointment provided to insurance producers under Md. Code Regs. 31.03.13.04(A)(1)(4).

Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, protecting families, communities, and businesses in the U.S. and across the globe.

Our members have expressed the concern that maintaining contemporaneous records of producers’ personal addresses that match the information found on the Maryland license record represents a cumbersome requirement for insurers. While internal processes for record keeping is different for each company, and some companies currently record producers’ personal addresses matching the license record, many do not. The proposed requirements create additional and costly new obligations with little benefit for the Maryland Insurance Administration, and consumers.

To better understand areas of concern of our members, we have provided some examples, , of the processes used by insurers to record information about producers. In the case of individual producers, some insurers information tracking systems do not enable multiple physical addresses or addresses at each licensed state level. And, because insurers track information across multiple states it is possible that the information in the Maryland license record could be different than what the producer is using across all states. This means that inconsistencies may be created when a producer reports a change in address with one/some but not all states. The result is that the information insurers keep on file could be different than what the Maryland Insurance Administration has in its records -- and the insurer would not be aware of it, despite good faith efforts to remain in compliance.

Additionally, the initial physical resident address that is entered into many insurers’ systems is based on what the producer provides to insurers at the time the producer is hired/appointed or “onboards” with

the insurer. While it is ideal that producers inform insurer of any later address changes, it is not something over which insurers have direct control .

Personal address information matching the Maryland license record to be included in the insurers' producer register, and documentation of appointment, is already available in the Maryland license record. This means that the information is available to the Maryland Insurance Administration for reference for consumer protection purposes. The information is also presumably available to the insurer via an inquiry using the Maryland license number.

In cases where insurers have not previously recorded personal address information (using business address information to meet current regulatory reporting requirements) of their producers, they will be required to update a large number of records retroactively. This will be a new costly and time-consuming process for insurers.

APCIA has researched the statutory and regulatory requirements for producer record keeping and found that only a few states require that a producers' residential address be recorded by insurers. Requiring that recorded residential address information reflect the information found on the license of record is even more unusual. The proposed requirements would place Maryland in a small minority of states on this issue.

APCIA requests that the requirements to provide "the full name and residence of the individual [producer] as it appears in the Maryland license record" be removed from the Maryland Insurance Administration's proposed amendments to sections 31.03.13.02(B)(1)(b), and 31.03.13.04(A)(1)(4). We feel that the requirements create costs for insurers that do not produce an equal measure of improvement in the administrative record keeping process that benefits consumers or the Maryland Insurance Administration.

APCIA looks forward to working with the Maryland Insurance Administration to provide insight into the concerns raised in this letter.

Thank you for your time and consideration of our comments.

Best regards,



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American Property Casualty Insurance Association