

# SENATE BILL 293

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CF 2lr2520

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By: **Senator Beidle**

Introduced and read first time: January 19, 2022

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Title Insurance Producers – Annual Review**

3 FOR the purpose of authorizing a title insurer to conduct a required annual review of a title  
4 insurance producer in person, remotely by using mail, overnight delivery, or  
5 electronic means, or by a combination of in-person and remote methods; and  
6 generally relating to title insurance and the annual review of title insurance  
7 producers.

8 BY repealing and reenacting, with amendments,  
9 Article – Insurance  
10 Section 10–121(k)  
11 Annotated Code of Maryland  
12 (2017 Replacement Volume and 2021 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 10–121.

17 (k) (1) (i) Except as provided in paragraph (5) of this subsection, the title  
18 insurer shall during each calendar year conduct an [on-site] ANNUAL review of the  
19 underwriting, claims, and escrow practices of each title insurance producer appointed by  
20 the insurer as a principal agent as designated in the title insurance agency contract  
21 between the insurer and the producer.

22 (ii) The [on-site] ANNUAL review shall include a review of the title  
23 insurance producer’s or agency’s policy [blank inventory] ISSUING and processing  
24 operations.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                   **(III) THE ANNUAL REVIEW MAY BE CONDUCTED:**

2                   1.     **AT THE PLACE OF BUSINESS OF THE TITLE**  
3 **INSURANCE PRODUCER;**

4                   2.     **REMOTELY BY USING MAIL, OVERNIGHT DELIVERY,**  
5 **OR ELECTRONIC MEANS; OR**

6                   3.     **USING ANY COMBINATION OF ITEMS 1 AND 2 OF THIS**  
7 **SUBPARAGRAPH.**

8                   [(iii)] **(IV)**     If the title insurance producer or agency does not maintain  
9 separate bank or trust accounts for each title insurer it represents, the title insurer shall  
10 verify that the funds held on its behalf are reasonably ascertainable from the books of  
11 account and records of the title insurance producer or agency.

12                   [(iv)] **(V)**     Subject to the requirement under paragraph (3) of this  
13 subsection to report suspected violations that the title insurer has reasonable cause to  
14 believe have occurred, if the title insurance producer or title agency holds an appointment  
15 with more than one title insurer, the title insurer may limit its review to files, separately  
16 held accounts, and written documentation relating to its title insurance policies.

17                   (2)     A written report setting forth the results of the [on-site] **ANNUAL**  
18 review shall be prepared by the title insurer and is subject to examination under § 2-205  
19 of this article.

20                   (3)     If, as a result of the [examination] **ANNUAL REVIEW**, a title insurer  
21 has reasonable cause to believe that a title insurance producer or agency has engaged in  
22 any of the prohibited activities set forth in § 10-126 of this subtitle, the title insurer shall  
23 report in writing the suspected violation to the Commissioner [and submit a copy of the  
24 examination] **IN THE REPORT PREPARED UNDER PARAGRAPH (2) OF THIS**  
25 **SUBSECTION.**

26                   (4)     The [examination] **ANNUAL REVIEW** required under this section is in  
27 addition to any examination conducted by the Commissioner to determine compliance with  
28 the accounts maintained for the benefit of the Maryland Affordable Housing Trust under §  
29 22-105 of this article.

30                   (5)     The title insurer is not required to perform the [on-site] **ANNUAL**  
31 review of a title insurance producer for the calendar year during which the title insurance  
32 producer is initially appointed if the appointment is made on or after June 30 of that  
33 calendar year.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2   October 1, 2022.