

# SENATE BILL 293

C4

2lr1363  
CF HB 637

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By: **Senator Beidle**

Introduced and read first time: January 19, 2022

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 12, 2022

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## CHAPTER \_\_\_\_\_

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 the insurer as a principal agent as designated in the title insurance agency contract  
2 between the insurer and the producer.

3 (ii) The [on-site] ANNUAL review shall include a review of the title  
4 insurance producer's or agency's policy [blank inventory] ISSUING and processing  
5 operations.

6 (III) THE ANNUAL REVIEW MAY BE CONDUCTED:

7 1. AT THE PLACE OF BUSINESS OF THE TITLE  
8 INSURANCE PRODUCER;

9 2. REMOTELY BY USING MAIL, OVERNIGHT DELIVERY,  
10 OR ELECTRONIC MEANS; OR

11 3. USING ANY COMBINATION OF ITEMS 1 AND 2 OF THIS  
12 SUBPARAGRAPH.

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

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

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

25 (3) If, as a result of the [examination] ANNUAL REVIEW, a title insurer  
26 has reasonable cause to believe that a title insurance producer or agency has engaged in  
27 any of the prohibited activities set forth in § 10-126 of this subtitle, the title insurer shall  
28 report in writing the suspected violation to the Commissioner [and submit a copy of the  
29 examination] **IN THE REPORT PREPARED UNDER PARAGRAPH (2) OF THIS  
30 SUBSECTION IN A FORM AND FORMAT CREATED BY THE COMMISSIONER.**

31 (4) The [examination] ANNUAL REVIEW required under this section is in  
32 addition to any examination conducted by the Commissioner to determine compliance with  
33 the accounts maintained for the benefit of the Maryland Affordable Housing Trust under §  
34 22-105 of this article.

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

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

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.