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**By: Delegates Busch and Frank**

Introduced and read first time: January 24, 1996

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Title Insurance**

3 FOR the purpose of repealing a certain provision requiring title insurance insurers to  
4 comply with the licensing and bonding requirements applicable to title insurance  
5 agents and title insurance brokers under the State insurance laws; clarifying a  
6 certain definition; clarifying restrictions applicable to a certain certificate of  
7 qualification; providing for the future codification of certain provisions of this Act;  
8 and generally relating to title insurance.

9 BY repealing and reenacting, with amendments,  
10 Article 48A - Insurance Code  
11 Section 168A(a)  
12 Annotated Code of Maryland  
13 (1994 Replacement Volume and 1995 Supplement)

14 BY repealing  
15 Article 48A - Insurance Code  
16 Section 168A(c)  
17 Annotated Code of Maryland  
18 (1994 Replacement Volume and 1995 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article - Insurance  
21 Section 10-101(c) and 10-125(b)  
22 Annotated Code of Maryland  
23 (1995 Volume)  
24 (As enacted by Chapters 36 and 635 of the Acts of the General Assembly of 1995)

25 BY repealing  
26 Article - Insurance  
27 Section 10-121(a)  
28 Annotated Code of Maryland  
29 (1995 Volume)  
30 (As enacted by Chapters 36 and 635 of the Acts of the General Assembly of 1995)

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1 BY renumbering  
2 Article 48A - Insurance Code  
3 Section 168A(d) through (o), respectively  
4 to be Section 168A(c) through (n), respectively  
5 Annotated Code of Maryland  
6 (1994 Replacement Volume and 1995 Supplement)

7 BY renumbering  
8 Article - Insurance  
9 Section 10-121(b) through (l), respectively  
10 to be Section 10-121(a) through (k), respectively  
11 Annotated Code of Maryland  
12 (1995 Volume)  
13 (As enacted by Chapters 36 and 635 of the Acts of the General Assembly of 1995)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article 48A - Insurance Code**

17 168A.

18 (a) (1) In this section, "title insurance agent" or "title insurancebroker" means  
19 a person who, for compensation, in any manner solicits, procures, or negotiates title  
20 insurance contracts.

21 (2) "Title insurance agent" or "title insurance broker" includes a person  
22 who provides escrow, closing, or settlement services which may result in the issuance of a  
23 title insurance contract.

24 (3) "Title insurance agent" or "title insurance broker" does not include:

25 (i) Individuals employed and used by title insurance agents or title  
26 insurance brokers for the performance of clerical, stenographic, and similar office duties;  
27 [or]

28 (ii) A financial institution as defined in § 1-101(h) of the Financial  
29 Institutions Article that does not solicit, procure or negotiate title insurance contracts for  
30 compensation; OR

31 (III) A TITLE INSURANCE INSURER THAT IS LICENSED UNDER THIS  
32 ARTICLE.

33 [(c) Notwithstanding any other provision of this subtitle, a title insurance insurer:

34 (1) Is subject to the certificate of qualification requirements under this  
35 subtitle applicable to title insurance agents and title insurance brokers; and

36 (2) Is not subject to the bonding requirements of this subtitle relating to title  
37 insurance agents and title insurance brokers.]

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1 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
2 read as follows:

3 **Article - Insurance**

4 10-101.

5 (c) (1) "Title insurance agent" or "title insurance broker" means a person that,  
6 for compensation, solicits, procures, or negotiates title insurance contracts.

7 (2) "Title insurance agent" or "title insurance broker" includes a person  
8 that provides escrow, closing, or settlement services that may result in the issuance of a  
9 title insurance contract.

10 (3) "Title insurance agent" or "title insurance broker" does not include:

11 (i) individuals employed and used by title insurance agents or title  
12 insurance brokers for the performance of clerical, stenographic, and similar office duties;  
13 [or]

14 (ii) a financial institution as defined in § 1-101(h) of the Financial  
15 Institutions Article that does not solicit, procure, or negotiate title insurance contracts for  
16 compensation; OR

17 (III) A TITLE INSURANCE INSURER THAT IS LICENSED UNDER THIS  
18 ARTICLE.

19 10-121.

20 [(a) Notwithstanding any other provision of this subtitle, a title insurance insurer:

21 (1) is subject to the certificate of qualification requirements under this  
22 subtitle applicable to title insurance agents and title insurance brokers; and

23 (2) is not subject to the bonding requirements of this subtitle relating to title  
24 insurance agents and title insurance brokers.]

25 10-125.

26 (b) Subject to this section, the Commissioner may issue a special restricted  
27 certificate of qualification to an attorney at law of the State TO ACT AS A TITLE  
28 INSURANCE AGENT OR TITLE INSURANCE BROKER.

29 SECTION 3. AND BE IT FURTHER ENACTED, That Section(s) 168A(d)  
30 through (o), respectively, of Article 48A - Insurance Code of the Annotated Code of  
31 Maryland be renumbered to be Section(s) 168A(c) through (n), respectively.

32 SECTION 4. AND BE IT FURTHER ENACTED, That Section(s) 10-121(b)  
33 through (l), respectively, of Article - Insurance of the Annotated Code of Maryland (as  
34 enacted by Chapters 36 and 635 of the Acts of the General Assembly of 1995) be  
35 renumbered to be Section(s) 10-121(a) through (k), respectively.

36 SECTION 5. AND BE IT FURTHER ENACTED, That Sections 1 and 3 of this  
37 Act shall take effect October 1, 1996.

1           SECTION 6. AND BE IT FURTHER ENACTED, That Sections 2 and 4 of this  
2 Act shall take effect October 1, 1997.