
By: Delegate Poole

Introduced and read first time: January 29, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 Title Insurance Agents and Brokers - Requirements - Exemptions for Attorneys

3 FOR the purpose of exempting attorneys and professional corporations of attorneys from
4 certain requirements applicable to title insurance agents and brokers if the
5 attorneys or attorneys who practice through the professional corporations pay the
6 required annual fee to the Clients' Security Trust Fund; providing for the future
7 codification of certain provisions of this Act; and generally relating to exempting
8 attorneys and professional corporations of attorneys from certain requirements
9 applicable to title insurance agents and brokers.

10 BY repealing and reenacting, without amendments,
11 Article 48A - Insurance Code
12 Section 167(a) and (b)
13 Annotated Code of Maryland
14 (1994 Replacement Volume and 1995 Supplement)

15 BY adding to
16 Article 48A - Insurance Code
17 Section 167(g)
18 Annotated Code of Maryland
19 (1994 Replacement Volume and 1995 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article 48A - Insurance Code
22 Section 168A(b)
23 Annotated Code of Maryland
24 (1994 Replacement Volume and 1995 Supplement)

25 BY repealing and reenacting, with amendments,
26 Article - Insurance
27 Section 10-102
28 Annotated Code of Maryland
29 (1995 Volume)

2

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

3 **Article 48A - Insurance Code**

4 167.

5 (a) A person may not act as an insurance agent unless:

6 (1) That person has obtained a certificate of qualification from the State in
7 the particular kind or kinds of insurance or subdivisions thereof for which that person
8 intends to act as agent; and

9 (2) That person has obtained an appointment or appointments from an
10 insurer or insurers.

11 (b) A person may not act as an insurance broker unless that person has obtained
12 a certificate of qualification from the State in the particular kind or kinds of insurance or
13 subdivisions of insurance for which that person intends to act as broker.

14 (G) THIS SUBTITLE DOES NOT APPLY TO:

15 (1) AN ATTORNEY AT LAW OF THIS STATE WHILE ACTING AS A TITLE
16 INSURANCE AGENT OR BROKER IF THE ATTORNEY HAS PAID TO THE CLIENTS'
17 SECURITY TRUST FUND ANY ANNUAL FEE REQUIRED TO BE PAID TO THE FUND; OR

18 (2) A PROFESSIONAL CORPORATION OF ATTORNEYS INCORPORATED
19 UNDER TITLE 5 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE WHILE
20 ACTING AS A TITLE INSURANCE AGENT OR BROKER IF EACH ATTORNEY WHO
21 PRACTICES THROUGH THE CORPORATION HAS PAID TO THE CLIENTS' SECURITY
22 TRUST FUND ANY ANNUAL FEE REQUIRED TO BE PAID TO THE FUND.

23 168A.

24 (b) (1) In addition to any requirements under § 168 of this article, title
25 insurance agents and title insurance brokers shall comply with this section.

26 (2) THIS SECTION DOES NOT APPLY TO:

27 (I) AN ATTORNEY AT LAW OF THIS STATE WHILE ACTING AS A
28 TITLE INSURANCE AGENT OR BROKER IF THE ATTORNEY HAS PAID TO THE CLIENTS'
29 SECURITY TRUST FUND ANY ANNUAL FEE REQUIRED TO BE PAID TO THE FUND; OR

30 (II) A PROFESSIONAL CORPORATION OF ATTORNEYS
31 INCORPORATED UNDER TITLE 5 OF THE CORPORATIONS AND ASSOCIATIONS
32 ARTICLE WHILE ACTING AS A TITLE INSURANCE AGENT OR BROKER IF EACH
33 ATTORNEY WHO PRACTICES THROUGH THE CORPORATION HAS PAID TO THE
34 CLIENTS' SECURITY TRUST FUND ANY ANNUAL FEE REQUIRED TO BE PAID TO THE
35 FUND.

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

3

1 **Article - Insurance**

2 10-102.

3 (a) This subtitle applies to agents, brokers, all kinds of insurance and annuities,
4 and all types of insurers, including:

- 5 (1) nonprofit health service plans;
- 6 (2) dental plan organizations; and
- 7 (3) health maintenance organizations.

8 (b) This subtitle does not apply to:

- 9 (1) reinsurance;
- 10 (2) fraternal benefit societies, which are subject to Title 8, Subtitle 4 of this
11 article;
- 12 (3) surplus lines transactions, which are subject to Title 3, Subtitle 3 of this
13 article;

14 (4) a person while employed by an insured to administer or help to
15 administer the insurance or risk management program of the person's employer, if the
16 person is not authorized to accept any compensation from an agent, broker, or insurer;
17 [or]

18 (5) a licensed insurance adviser while employed under contract by an
19 insured and acting for the insured, if the insurance adviser is not authorized to accept any
20 compensation from an agent, broker, or insurer;

21 (6) AN ATTORNEY AT LAW OF THIS STATE WHILE ACTING AS A TITLE
22 INSURANCE AGENT OR BROKER IF THE ATTORNEY HAS PAID TO THE CLIENTS'
23 SECURITY TRUST FUND ANY ANNUAL FEE REQUIRED TO BE PAID TO THE FUND; OR

24 (7) A PROFESSIONAL CORPORATION OF ATTORNEYS INCORPORATED
25 UNDER TITLE 5 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE WHILE
26 ACTING AS A TITLE INSURANCE AGENT OR BROKER IF EACH ATTORNEY WHO
27 PRACTICES THROUGH THE CORPORATION HAS PAID TO THE CLIENTS' SECURITY
28 TRUST FUND ANY ANNUAL FEE REQUIRED TO BE PAID TO THE FUND.

29 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
30 take effect October 1, 1996.

31 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
32 take effect October 1, 1997.