

SB0724/567170/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 724
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “Protection” insert “Practices - Study”; strike beginning with “certain” in line 3 down through the second “Act;” in line 22 and substitute “the Maryland Insurance Commissioner to study closing or settlement protection practices of the title insurance industry and to make certain recommendations; requiring the Commissioner to consider certain matters in conducting the study; authorizing the Commissioner to consult with certain persons and entities in conducting the study; requiring the Commissioner to report certain findings and recommendations to certain committees of the General Assembly on or before a certain date;”; and in line 23, strike “title insurance protection” and substitute “a study of closing and settlement protection practices of the title insurance industry”.

On pages 1 and 2, strike in their entirety the lines beginning with line 24 on page 1 through line 4 on page 2, inclusive.

AMENDMENT NO. 2

On page 2, in line 6, strike “the Laws of Maryland read as follows”; and after line 6, insert:

“(a) The Maryland Insurance Commissioner shall:

(1) study closing or settlement protection practices of the title insurance industry, including mechanisms for, and associated costs of, compensating consumers, title insurers, mortgage lenders, and other parties for monetary losses that result from the theft, misappropriation, or misuse of funds held in escrow by a title insurance producer in connection with a real estate transaction; and

(Over)

(2) make recommendations for changes to the closing and settlement protection practices of the title insurance industry in the State.

(b) In conducting the study, the Commissioner shall consider:

(1) title insurance producer defalcations reported to the Maryland Insurance Administration by title insurers;

(2) title insurance producer defalcations discovered by the Administration as a result of a complaint received by the Administration;

(3) the extent to which any regulations relating to the on-site review by title insurers of their appointed title insurance producers have addressed the problem of title insurance producer defalcations;

(4) the availability and affordability of fidelity bonds, escrow bonds, reinsurance, or other coverage to protect title insurers against the theft, misappropriation, or misuse of closing or settlement funds by its appointed title insurance producers, other agents, or employees;

(5) the manner in which closing or settlement protection is being addressed by other states, the National Association of Insurance Commissioners, and the National Coalition of Insurance Legislators; and

(6) any other relevant matter, as determined by the Commissioner.

(c) In conducting the study, the Commissioner may consult with any person or entity that the Commissioner determines appropriate, including representatives of:

(1) the title insurance industry;

(2) title insurance producers;

- General;
- (3) mortgage lenders;
 - (4) the Division of Consumer Protection of the Office of the Attorney
 - (5) the real estate industry; and
 - (6) the Maryland Real Estate Commission.

(d) On or before December 1, 2012, the Commissioner shall report to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2-1246 of the State Government Article, on the findings and recommendations of the study conducted by the Commissioner under this section.”.

On pages 2 through 6, strike in their entirety the lines beginning with line 7 on page 2 through line 23 on page 6, inclusive.

On page 6, in line 24, strike “4.” and substitute “2.”; strike beginning with the second comma in line 24 down through “Act,” in line 25.