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§5–206.

(a) (1) In this section, "risk premiums" means the amount charged for the assumption of risk.

(2) "Risk premiums" includes title insurance producer commissions.

(3) "Risk premiums" does not include charges for services rendered in the preparation of documents, searching, underwriting, recording of documents, or closing of a risk.

(b) In addition to adequate reserves required by § 5–103 of this title for outstanding losses, a title insurer domiciled in the State shall maintain a statutory reserve or unearned premium reserve of at least an amount computed as follows:

(1) 8% of the total amount of the risk premiums written in the calendar year for the retained liability for title insurance contracts shall be as assigned originally to the reserves; and

(2) during each of the 20 years that follow the year in which the contract is issued, the reserves applicable to the contract shall be reduced in equal 12–month installments in accordance with the following formula:

(i) 35% of the aggregate sum in the year succeeding the year of addition;

(ii) 15% of the aggregate sum in each of the succeeding 2 years;

(iii) 10% of the aggregate sum in the succeeding year;

(iv) 3% of the aggregate sum in each of the succeeding 3 years;

(v) 2% of the aggregate sum in each of the succeeding 3 years; and

(vi) 1% of the aggregate sum in each of the succeeding 10 years.

(c) (1) Each title insurer shall file with its annual statement required under § 4–116 of this article a certification by a member in good standing of the Casualty Actuarial Society, or a member in good standing of the American Academy of Actuaries who has been approved as qualified for signing casualty loss reserve opinions by the Casualty Practice Council of the American Academy of Actuaries, as to the adequacy of its reserves required under this section and § 5–103 of this title.

(2) The actuarial certification required of a title insurer must conform to the National Association of Insurance Commissioners' annual statement instructions

for title insurers.

(d) (1) Unearned premium reserves may not be released under subsection (a) of this section to the extent that the release would result in the aggregate reserve falling below the amount required under this section and § 5–103 of this title.

(2) Any amount of unearned premium reserves that may not be released under paragraph (1) of this subsection shall be considered an unearned premium reserve and may not be considered a supplemental reserve.

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