

# SENATE BILL 31

C4

71r0065

(PRE-FILED)

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By: **Chair, Finance Committee (By Request – Departmental – Maryland Insurance Administration)**

Requested: September 23, 2016

Introduced and read first time: January 11, 2017

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: January 13, 2017

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

1 AN ACT concerning

2 **Title Insurance – Rate Making – Use of Rating Organizations for Filings**

3 FOR the purpose of providing that certain provisions of law governing rating organizations  
4 apply to rate making for title insurance; authorizing a title insurer to satisfy its  
5 obligations to make filings by being a member of or a subscriber to a certain title  
6 rating organization and authorizing the Maryland Insurance Commissioner to  
7 accept filings on its behalf from the title rating organization; exempting filings by a  
8 rating organization on behalf of certain title insurers from provisions of law relating  
9 to the deemed approval of certain filings by the Commissioner; providing for the  
10 effective date of certain provisions of this Act; providing for the termination of certain  
11 provisions of this Act; and generally relating to rate making for title insurance.

12 BY repealing and reenacting, with amendments,  
13 Article – Insurance  
14 Section 11–202, 11–403, and 11–404  
15 Annotated Code of Maryland  
16 (2011 Replacement Volume and 2016 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Insurance  
19 Section 11–202  
20 Annotated Code of Maryland  
21 (2011 Replacement Volume and 2016 Supplement)

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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.



(As enacted by Chapter 36 of the Acts of the General Assembly of 2015)

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

**Article – Insurance**

11–202.

(a) (1) This subtitle applies to all types of insurers.

(2) Except as provided in subsection (b) of this section, this subtitle applies  
to:

(i) property insurance;

(ii) casualty insurance;

(iii) surety insurance;

(iv) marine insurance; and

(v) wet marine and transportation insurance.

(b) This subtitle does not apply to:

(1) reinsurance, except as provided in § 11–222 of this subtitle;

(2) insurance of vessels or craft or their cargoes, marine protection and  
indemnity insurance, or insurance of other risks commonly insured under policies of marine  
insurance, as distinguished from inland marine insurance;

(3) insurance against loss of or damage to aircraft including their  
accessories and equipment, or insurance against liability, other than workers'  
compensation insurance or employer's liability insurance, arising out of the ownership,  
maintenance, or use of aircraft;

(4) title insurance, **EXCEPT FOR §§ 11–218 THROUGH ~~11–222~~ 11–227**  
**OF THIS SUBTITLE;** or

(5) the Chesapeake Employers' Insurance Company.

(c) If a kind of insurance, subdivision or combination of kinds of insurance, or  
type of coverage is subject to this subtitle and is also subject to regulation by another rate  
regulatory provision of the statutes of the State, an insurer to which both provisions are  
otherwise applicable shall file with the Commissioner a designation as to which rate

1 regulatory provision is applicable to it with respect to that kind of insurance, subdivision  
2 or combination of kinds of insurance, or type of coverage.

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

5 **Article – Insurance**

6 11–403.

7 (a) (1) Except as otherwise provided in this subsection, each title insurer shall  
8 file with the Commissioner all rates or premiums, supplementary rate information, forms  
9 of contracts, policies, or guarantees of insurance, and all modifications of contracts, policies,  
10 or guarantees of insurance that it proposes to use.

11 (2) A filing is not required for rates or premiums for a special or unusual  
12 guarantee as described in § 11–402(e)(2) of this subtitle.

13 (b) Each filing shall indicate the character or extent of coverage contemplated  
14 under the rates and premiums for which it is made.

15 (c) A title insurer may not make a change in rates or premiums or in the forms of  
16 contracts, policies, or guarantees of insurance unless a report that indicates the change has  
17 been filed with and approved by the Commissioner.

18 **(D) A TITLE INSURER MAY SATISFY ITS OBLIGATION TO MAKE FILINGS BY:**

19 **(1) BEING A MEMBER OF OR A SUBSCRIBER TO A LICENSED TITLE**  
20 **RATING ORGANIZATION THAT MAKES FILINGS; AND**

21 **(2) AUTHORIZING THE COMMISSIONER TO ACCEPT FILINGS ON ITS**  
22 **BEHALF FROM THE TITLE RATING ORGANIZATION.**

23 11–404.

24 (a) (1) Unless the Commissioner finds that a filing does not meet the  
25 requirements of this subtitle or is otherwise contrary to law, the Commissioner shall  
26 approve the filing.

27 (2) As soon as reasonably possible after a filing is made, the Commissioner  
28 shall approve or disapprove the filing in writing.

29 (3) If the Commissioner disapproves a filing, the Commissioner shall  
30 specify the ways that the Commissioner finds that the filing fails to meet the requirements  
31 of this subtitle or is otherwise contrary to law.



- 1 (iii) surety insurance;
- 2 (iv) marine insurance; and
- 3 (v) wet marine and transportation insurance.

4 (b) This subtitle does not apply to:

- 5 (1) reinsurance, except as provided in § 11–222 of this subtitle;
- 6 (2) insurance of vessels or craft or their cargoes, marine protection and  
7 indemnity insurance, or insurance of other risks commonly insured under policies of marine  
8 insurance, as distinguished from inland marine insurance;
- 9 (3) insurance against loss of or damage to aircraft including their  
10 accessories and equipment, or insurance against liability, other than workers'  
11 compensation insurance or employer's liability insurance, arising out of the ownership,  
12 maintenance, or use of aircraft; or
- 13 (4) title insurance, **EXCEPT FOR §§ 11–218 THROUGH ~~11–222~~ 11–227**  
14 **OF THIS SUBTITLE.**

15 (c) If a kind of insurance, subdivision or combination of kinds of insurance, or  
16 type of coverage is subject to this subtitle and is also subject to regulation by another rate  
17 regulatory provision of the statutes of the State, an insurer to which both provisions are  
18 otherwise applicable shall file with the Commissioner a designation as to which rate  
19 regulatory provision is applicable to it with respect to that kind of insurance, subdivision  
20 or combination of kinds of insurance, or type of coverage.

21 SECTION 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take  
22 effect October 1, 2017. It shall remain effective until the taking effect of Section 3 of this  
23 Act. If Section 3 of this Act takes effect, Section 1 of this Act shall be abrogated and of no  
24 further force and effect.

25 SECTION 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take  
26 effect January 1, 2023, the effective date of Section 4 of Chapter 36 of the Acts of the  
27 General Assembly of 2015. If the effective date of Section 4 of Chapter 36 is amended,  
28 Section 3 of this Act shall take effect on the taking effect of Section 4 of Chapter 36.

29 SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provisions of  
30 Sections 4 and 5 of this Act, this Act shall take effect October 1, 2017.