

SENATE BILL 31

C4

7lr0065

(PRE-FILED)

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

A BILL ENTITLED

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

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

25 **Article – Insurance**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 11-202.

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

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

5 (i) property insurance;

6 (ii) casualty insurance;

7 (iii) surety insurance;

8 (iv) marine insurance; and

9 (v) wet marine and transportation insurance.

10 (b) This subtitle does not apply to:

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

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

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

19 (4) title insurance, **EXCEPT FOR §§ 11-218 THROUGH 11-222 OF THIS**
20 **SUBTITLE**; or

21 (5) the Chesapeake Employers' Insurance Company.

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

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

30 **Article – Insurance**

1 11-403.

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

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

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

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

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

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

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

18 11-404.

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

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

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

27 (b) **(1) THIS SUBSECTION DOES NOT APPLY TO FILINGS BY A RATING**
28 **ORGANIZATION ON BEHALF OF TITLE INSURERS THAT ARE MEMBERS OR**
29 **SUBSCRIBERS OF THE RATING ORGANIZATION.**

30 **(2)** If a filing is not disapproved by the Commissioner within 15 days after
31 the date of filing, or within 30 days after the date of filing if the Commissioner extends the

1 waiting period in writing during the initial 15-day period, the filing is deemed approved
2 and the effective date of the filing is the end of the 15-day or 30-day waiting period.

3 (c) (1) The Commissioner shall hold a hearing to review the approval or
4 disapproval of a filing under this section if:

5 (i) after approval of the filing, the Commissioner finds that the filing
6 does not meet the requirements of this subtitle or is otherwise contrary to law;

7 (ii) a person with an interest in the filing makes a complaint to the
8 Commissioner in writing that sets forth specific and reasonable causes for complaint; or

9 (iii) a title insurer **OR A RATING ORGANIZATION ON BEHALF OF**
10 **ITS MEMBERS OR SUBSCRIBERS**, on notice of disapproval by the Commissioner under
11 this section, requests a hearing.

12 (2) A hearing under this subsection shall be held within 30 days after the
13 occurrence of an action specified in paragraph (1) of this subsection.

14 (3) The Commissioner shall give written notice of the hearing to all
15 interested parties.

16 (4) The Commissioner may confirm, modify, change, or rescind any
17 previous action, if warranted by the facts shown at the hearing.

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

20 **Article – Insurance**

21 11-202.

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

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

25 (i) property insurance;

26 (ii) casualty insurance;

27 (iii) surety insurance;

28 (iv) marine insurance; and

29 (v) wet marine and transportation insurance.

1 (b) This subtitle does not apply to:

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

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

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

10 (4) title insurance, **EXCEPT FOR §§ 11–218 THROUGH 11–222 OF THIS**
11 **SUBTITLE.**

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

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

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

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