

SENATE JOINT RESOLUTION

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1997 Regular Session
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By: Senator Collins

Introduced and read first time: January 31, 1997

Assigned to: Finance

SENATE JOINT RESOLUTION

1 A Senate Joint Resolution concerning

2 **Task Force to Study Title Insurance Rates and Insolvency**

3 FOR the purpose of requesting the Governor to create a Task Force to Study Title
4 Insurance Rates and Insolvency; specifying the membership and duties of the Task
5 Force; providing for the designation of the chairman of the Task Force; providing
6 for staff support for the Task Force; providing for public notice of meetings of the
7 Task Force; requiring the Task Force to make a report by a certain date; and
8 generally relating to title insurance.

9 WHEREAS, The title industry has been subjected to numerous defalcations by title
10 insurance agents, causing large claims to be paid by title insurers; and

11 WHEREAS, There is great concern about the abilities of some insurers to pay
12 defalcation claims while maintaining financial viability; and

13 WHEREAS, The rates charged by the various title insurers vary widely; and

14 WHEREAS, The problems of the title insurance industry cannot be quickly or
15 easily solved; now, therefore, be it

16 **RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND**, That the
17 Governor is requested to create a Task Force to Study Title Insurance Rates and
18 Insolvency; and be it further

19 **RESOLVED**, That the Task Force consists of the following members:

20 (1) two members from the Senate of Maryland, appointed by the President
21 of the Senate;

22 (2) two members from the House of Delegates, appointed by the Speaker of
23 the House;

24 (3) two members from the Insurance Administration, appointed by the
25 Insurance Commissioner;

26 (4) four members from insurers subject to Title 11, Subtitle 4 of the
27 Insurance Article, appointed by the Governor;

28 (5) four members who are title insurance agents, three of whom must be
29 members of the Maryland Land Title Association, appointed by the Governor;

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1 (6) one member of the Real Estate Section of the Maryland State Bar
2 Association, appointed by the chairman of the Real Estate Section;

3 (7) one member of the faculty of a law school in the State, appointed by the
4 Governor; and

5 (8) one member of the faculty of the University of Maryland Business
6 School, appointed by the Governor; and be it further

7 RESOLVED, That the Governor shall designate one of the members of the Task
8 Force to be the chairman of the Task Force; and be it further

9 RESOLVED, That the Department of Legislative Reference and the Department
10 of Fiscal Services shall provide staff support for the Task Force; and be it further

11 RESOLVED, That the Task Force shall:

12 (1) evaluate and determine whether title insurance rates now filed that are
13 structured as "risk premium" are reasonable and adequate;

14 (2) evaluate and determine the viability of adopting title insurance rates that
15 would be all-inclusive promulgated rates that include title abstract, title examination, and
16 risk premium;

17 (3) evaluate the desirability of creating a rating bureau to formulate rates
18 and premiums for real estate transactions that include title insurance;

19 (4) evaluate the financial solvency of title insurers and the adequacy of
20 current loss reserves requirements taking into account loss experience in and out of the
21 State, operating expenses, and other relevant monetary factors;

22 (5) make recommendations for ensuring the continued financial solvency of
23 title insurers; and

24 (6) determine if legislation should be introduced in the 1998 Session of the
25 General Assembly to implement the recommendations of the Task Force; and be it
26 further

27 RESOLVED, That the Task Force shall report its findings and recommendations to
28 the Governor and, subject to § 2-1312 of the State Government Article, to the General
29 Assembly on or before December 1, 1997; and be it further

30 RESOLVED, That the Task Force shall notify the Department of Legislative
31 Reference of each meeting of the Task Force sufficiently in advance so that notice of the
32 meeting appears in the Hearing Schedule published by the Department; and be it further

33 RESOLVED, That a copy of this Resolution be forwarded by the Department of
34 Legislative Reference to the Honorable Parris N. Glendening, Governor of Maryland; the
35 Honorable Thomas V. Mike Miller, Jr., President of the Senate of Maryland; and the
36 Honorable Casper R. Taylor, Jr., Speaker of the House of Delegates.