

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

House Bill 265 (Delegates Busch and Gordon)

Economic Matters

Finance

Title Insurers - Statements of Financial Condition - Exemption from Filing Requirement

This bill exempts law firms and individual attorneys practicing in law firms from having to file an annual statement of financial condition with the title insurer with which they have an appointment.

Fiscal Summary

State Effect: None. The bill would not affect the operations or finances of the Maryland Insurance Administration.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: A title insurance agent and agency, including a law firm or attorney practicing in a law firm, that is appointed with a title insurer must have on file with the insurer an annual statement of financial condition. The Maryland Insurance Commissioner may issue a special restricted certificate of qualification to an attorney to act as a title insurance agent or broker. Attorneys who own title agencies or who do title work through title agencies are subject to the surety bond and fidelity bond requirements applicable to title insurance agents and brokers. However, law firms and attorneys are exempt from other requirements. A law firm or attorney practicing in a law firm is exempt from the bonding requirements. A law firm is exempt from the limited liability

company, corporate, and partnership requirements for title insurers. Individual attorneys are exempt from the education, experience, and examination requirements.

Additional Information

Prior Introductions: A substantially similar bill, HB 611, was introduced in the 1998 session and received an unfavorable report from the Senate Finance Committee.

Cross File: None.

Information Source(s): Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader – January 30, 2001
ncs/jr

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