

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 1460
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike “intervals” and substitute “interval”; in the same line, strike “a title insurer shall conduct”; in line 4, after “producers” insert “must be conducted; providing a certain exception to the required on-site review under certain circumstances; altering certain examination requirements”; in line 6, after the first “the” insert “Maryland”; strike beginning with “requiring” in line 9 down through the semicolon in line 14; in line 14, strike “qualified title insurer employees” and substitute “an employee or officer of an authorized title insurer”; in line 15, strike “, education, experience, and examination”; in the same line, after the semicolon insert “prohibiting a title insurance producer from using or accepting the services of a certain title insurance producer independent contractor unless the title insurance producer independent contractor holds a certain appointment; requiring a certain blanket fidelity bond to cover certain independent contractors;”; in lines 16 and 19, in each instance, strike “at law”; in line 25, after “terms;” insert “making certain conforming changes;”; in line 29, after “Section” insert “10-101(j) and (k),”; and in the same line, after “10-121” insert “(d)(1)(i),”.

On page 2, in line 1, after “Section” insert “10-101(j),”; in the same line, strike the first comma and substitute “and”; and in the same line, strike “, and 10-121.2”.

AMENDMENT NO. 2

On page 2, after line 11, insert:

“10-101.

(J) “TITLE INSURANCE PRODUCER INDEPENDENT CONTRACTOR” MEANS A PERSON THAT:

(1) IS LICENSED TO ACT AS A TITLE INSURANCE PRODUCER;

(Over)

(2) PROVIDES ESCROW, CLOSING, OR SETTLEMENT SERVICES THAT MAY RESULT IN THE ISSUANCE OF A TITLE INSURANCE CONTRACT AS AN INDEPENDENT CONTRACTOR FOR, OR ON BEHALF OF, A LICENSED AND APPOINTED TITLE INSURANCE PRODUCER; AND

(3) IS NOT AN EMPLOYEE OF, OR ASSOCIATED WITH, THE LICENSED AND APPOINTED TITLE INSURANCE PRODUCER.

[j] (K) “Uniform application” means the current version of the NAIC Uniform Application for resident and nonresident insurance producer licensing.

[k] (L) “Uniform business entity application” means the current version of the NAIC uniform business entity application for resident and nonresident business entities.”;

after line 12, insert:

“(d) (1) In addition to meeting any of the applicable requirements for a license to act as an insurance producer under this subtitle, a sole proprietor, a limited liability company, a partnership, or a corporate applicant for a license as a title insurance producer shall file with the Commissioner:

(i) a blanket fidelity bond covering appropriate employees AND TITLE INSURANCE PRODUCER INDEPENDENT CONTRACTORS; and”;

in line 13, strike “The” and substitute “EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION, THE”; in the same line, before “conduct” insert “DURING EACH CALENDAR YEAR”; strike beginning with “EXCEPT” in line 17 down through “(III)” in line 25; in line 27, strike “(IV)” and substitute “(III)”; and in line 32, strike “financial”.

On page 3, strike beginning with the colon in line 8 down through “(I)” in line 9; and strike beginning with the semicolon in line 11 down through “YEAR” in line 14.

AMENDMENT NO. 3

On page 3, in line 15, after “(K)” insert “(1)”; after line 18, insert:

“(2) THE BONDING REQUIREMENTS OF THIS SUBTITLE RELATING TO TITLE INSURANCE PRODUCERS DO NOT APPLY TO AN EMPLOYEE OR OFFICER OF AN AUTHORIZED TITLE INSURER.”;

and after line 30, insert:

“A TITLE INSURANCE PRODUCER MAY NOT USE OR ACCEPT THE SERVICES OF A TITLE INSURANCE PRODUCER INDEPENDENT CONTRACTOR UNLESS THE TITLE INSURANCE PRODUCER INDEPENDENT CONTRACTOR HOLDS AN APPOINTMENT WITH THE TITLE INSURER WITH WHICH THE CONTRACT OF TITLE INSURANCE MAY BE PLACED.”.

On pages 3 and 4, strike in their entirety the lines beginning with line 31 on page 3 through line 29 on page 4, inclusive.

AMENDMENT NO. 4

On page 4, in line 32, strike “AT LAW”; in the same line, strike “ATTORNEY WHO IS”; in line 33, strike “BEFORE” and substitute “LAW BY”; and strike beginning with “an” in line 34 down through “WHO” in line 37 and substitute “AN ASSOCIATION OF ATTORNEYS IN A LAW PARTNERSHIP, PROFESSIONAL CORPORATION, SOLE PROPRIETORSHIP, OR OTHER BUSINESS ENTITY WHO”.

On page 5, in lines 3 and 4, in each instance, strike the bracket; in line 9, after “(4)” insert “(I)”; in lines 12 and 13, in each instance, strike the bracket; in line 15, strike “at law”; in line 18, strike “AT LAW”; in line 21, before “ATTORNEYS” insert “AN ASSOCIATION OF”; and in line 31, after “(1)” insert “(I)”.

On page 6, in line 1, strike “(2)” and substitute “(II)”; in the same line, strike “THE” and substitute “EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE”; and after line 3, insert:

“(2) THE BONDING REQUIREMENTS OF THIS SUBTITLE ARE APPLICABLE TO:

(I) AN ATTORNEY OR AN ASSOCIATION OF ATTORNEYS WHO OWN, OPERATE, OR SHARE AN INTEREST IN A TITLE AGENCY; AND

(Over)

(II) AN ATTORNEY WHO IS EMPLOYED BY A TITLE AGENCY AS A TITLE INSURANCE PRODUCER.”.

On page 7, in line 10, after “TO” insert “A”; and strike beginning with “TRANSACTIONS” in line 10 down through “ARTICLE” in line 12 and substitute “TRANSACTION INVOLVING A MORTGAGE OR DEED OF TRUST SECURING AN EXTENSION OF CREDIT MADE:

(1) SOLELY TO ACQUIRE AN INTEREST IN OR TO CARRY ON A BUSINESS OR COMMERCIAL ENTERPRISE; OR

(2) TO ANY BUSINESS OR COMMERCIAL ORGANIZATION”.