

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 463
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “establishing” in line 3 down through “conduct” in line 9 and substitute “altering the interval at which”; in line 10, 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 11, after the second “a” insert “certain”; in the same line, after “the” insert “Maryland Insurance”; in line 12, after “examination;” insert “requiring a title insurance producer to notify any title insurer with whom the title insurance producer holds an appointment whenever a certain person is employed by or associated with the title insurance producer; exempting an employee or officer of an authorized title insurer from certain bonding requirements; 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 13 and 15, in each instance, strike “at law”; in line 22, strike “a”; in the same line, strike “term;” and substitute “terms; making certain conforming changes;”; in line 26, strike “2-205, 10-101(i), 10-103(b) and (d), 10-118(d),” and substitute “10-101(j) and (k),”; in the same line, strike “(j)” and substitute “(d)(1)(i), (j), (k), and (l)”; and after line 28, insert:

“BY adding to

Article - Insurance

Section 10-101(j), 10-121(k), and 10-121.1

Annotated Code of Maryland

(2003 Replacement Volume and 2005 Supplement)”.

On pages 1 and 2, strike in their entirety the lines beginning with line 29 on page 1 through line 1 on page 2, inclusive.

AMENDMENT NO. 2

(Over)

On pages 2 through 7, strike in their entirety the lines beginning with line 10 on page 2 through line 21 on page 7, inclusive, and substitute:

“10-101.

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

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

(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.”.

AMENDMENT NO. 3

On page 7, after line 22, 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 23, 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"; and strike beginning with "EXCEPT" in line 27 down through "(III)" in line 35.

On page 8, in line 1, strike "(IV)" and substitute "(III)"; in line 6, strike "financial"; strike beginning with "VIOLATED" in line 10 down through "ARTICLE" in line 11 and substitute "ENGAGED IN ANY OF THE PROHIBITED ACTIVITIES SET FORTH IN § 10-126 OF THIS SUBTITLE"; strike beginning with "IN" in line 18 down through "APPOINTMENT" in line 20 and substitute "DURING WHICH THE TITLE INSURANCE PRODUCER IS INITIALLY APPOINTED IF THE APPOINTMENT IS MADE ON OR AFTER JUNE 30 OF THAT CALENDAR YEAR"; and after line 20, insert:

"(K) (1) A TITLE INSURANCE PRODUCER SHALL NOTIFY ANY TITLE INSURER WITH WHOM THE TITLE INSURANCE PRODUCER HOLDS AN APPOINTMENT WHENEVER A PERSON LICENSED UNDER THIS SUBTITLE BECOMES EMPLOYED BY, OR ASSOCIATED WITH, THE TITLE INSURANCE PRODUCER.

(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.

[(k)] (L) (1) A title insurance producer shall notify the Commissioner, and any insurer with whom the title insurance producer holds an appointment, if an individual licensed under this subtitle leaves the employment of or ends an association with the title insurance producer.

(2) The title insurance producer required to provide notice under this subsection shall notify the Commissioner within 5 working days after the day the individual leaves employment or ends the association.

(3) The notice required under this subsection shall be in writing and by certified mail.

[(l)] (M) In addition to any requirements under Title 10, Subtitle 1 of this article, title insurance producers shall comply with this section.

10-121.1.

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.”.

AMENDMENT NO. 4

On page 8, in line 23, strike ““ATTORNEY AT LAW”” and substitute ““ATTORNEY””; in the same line, strike “AN INDIVIDUAL ATTORNEY WHO IS” and substitute “AN INDIVIDUAL”; in line 24, strike “BEFORE” and substitute “LAW BY”; strike beginning with “an” in line 25 down through “WHO” in line 28 and substitute “AN ASSOCIATION OF ATTORNEYS IN A LAW PARTNERSHIP, PROFESSIONAL CORPORATION, SOLE PROPRIETORSHIP, OR OTHER BUSINESS ENTITY WHO”; and in lines 32 and 33, in each instance, strike the bracket.

On page 9, in line 3, after “(4)” insert “(I)”; in lines 6 and 7, in each instance, strike the bracket; in line 9, strike “at law [of the State]”; in line 12, strike “AT LAW”; in line 15, after “firm]” insert “AN ASSOCIATION OF”; in line 25, after “(1)” insert “(I)”; in line 28, strike “(2)” and substitute “(II) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION.”; and after line 30, 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

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

On page 11, in line 1, after “TO” insert “A”; and strike beginning with “TRANSACTIONS” in line 1 down through “ARTICLE” in line 3 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”.