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By: **Senator Gladden**  
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Assigned to: Finance

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Committee Report: Favorable with amendments  
Senate action: Adopted  
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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Title Insurers and Title Insurance Producers**

3 FOR the purpose of ~~establishing certain limitations on the examination of an~~  
4 ~~authorized title insurer by the Insurance Commissioner; exempting employees~~  
5 ~~or officers of an authorized title insurer from the licensing requirements for~~  
6 ~~insurance producers; authorizing a certain licensed title insurance producer~~  
7 ~~without a certain appointment to provide certain escrow, closing, or settlement~~  
8 ~~services and to do so without written documentation of an appointment; altering~~  
9 ~~the intervals at which a title insurer shall conduct~~ altering the interval at which  
10 a certain on-site review of certain practices of certain title insurance producers  
11 must be conducted; providing a certain exception to the required on-site review  
12 under certain circumstances; altering certain examination requirements;  
13 altering the circumstances under which a title insurer is required to report a  
14 certain suspected violation to the Maryland Insurance Commissioner as the  
15 result of an examination; requiring a title insurance producer to notify any title  
16 insurer with whom the title insurance producer holds an appointment whenever  
17 a certain person is employed by or associated with the title insurance producer;  
18 exempting an employee or officer of an authorized title insurer from certain  
19 bonding requirements; prohibiting a title insurance producer from using or  
20 accepting the services of a certain title insurance producer independent  
21 contractor unless the title insurance producer independent contractor holds a  
22 certain appointment; requiring a certain blanket fidelity bond to cover certain  
23 independent contractors; clarifying that the Commissioner may issue a limited  
24 lines license to an attorney ~~at law~~ who solicits, procures, or negotiates title  
25 insurance to act as a title insurance producer; providing for the applicability of  
26 certain licensing provisions to certain attorneys ~~at law~~; altering the applicability  
27 to attorneys and law firms of certain bonding requirements, certain limited  
28 liability company, corporate, and partnership requirements, certain licensing

1 requirements, and certain education, experience, and examination  
 2 requirements; altering certain notice requirements as to the availability of title  
 3 insurance; exempting certain real estate transactions from certain notice  
 4 provisions as to the availability of title insurance; altering certain definitions;  
 5 defining a certain ~~term~~; terms; making certain conforming changes; and  
 6 generally relating to title insurers and title insurance producers.

7 BY repealing and reenacting, with amendments,  
 8 Article - Insurance  
 9 Section ~~2-205, 10-101(i), 10-103(b) and (d), 10-118(d), 10-101(j) and (k),~~  
 10 ~~10-121(j) (d)(1)(i), (j), (k), and (l),~~ and 10-125  
 11 Annotated Code of Maryland  
 12 (2003 Replacement Volume and 2005 Supplement)

13 BY adding to  
 14 Article - Insurance  
 15 Section 10-101(j), 10-121(k), and 10-121.1  
 16 Annotated Code of Maryland  
 17 (2003 Replacement Volume and 2005 Supplement)

18 ~~BY repealing and reenacting, without amendments,~~  
 19 ~~Article - Insurance~~  
 20 ~~Section 10-101(a), (b), and (d), 10-103(a) and (c), and 10-118(a), (b), and (c)~~  
 21 ~~Annotated Code of Maryland~~  
 22 ~~(2003 Replacement Volume and 2005 Supplement)~~

23 BY repealing and reenacting, with amendments,  
 24 Article - Insurance  
 25 Section 22-102  
 26 Annotated Code of Maryland  
 27 (2002 Replacement Volume and 2005 Supplement)

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

30 **Article - Insurance**

31 ~~2-205.~~

32 (a) (1) ~~Whenever the Commissioner considers it advisable, the~~  
 33 ~~Commissioner shall examine the affairs, transactions, accounts, records, and assets of~~  
 34 ~~each:~~

35 (i) ~~authorized insurer;~~

36 (ii) ~~management company of an authorized insurer;~~

- 1 (iii) subsidiary owned or controlled by an authorized insurer;
- 2 (iv) rating organization; or
- 3 (v) authorized health maintenance organization.

4 (2) The Commissioner shall examine each domestic insurer and health  
 5 maintenance organization at least once every 5 years.

6 (b) The Commissioner shall examine the affairs, transactions, accounts,  
 7 records, and assets of:

8 (1) each insurer and each health maintenance organization that applies  
 9 for an original certificate of authority to do business in the State; and

10 (2) each rating organization that applies for a license to do business in  
 11 the State.

12 (c) When examining a reciprocal insurer, the Commissioner may examine the  
 13 attorney in fact of the reciprocal insurer to the extent that the transactions of the  
 14 attorney in fact relate to the reciprocal insurer.

15 (d) The Commissioner may limit the examination of an alien insurer to its  
 16 insurance transactions and affairs in the United States.

17 (e) Instead of conducting an examination, the Commissioner may accept a full  
 18 report, certified by the insurance supervisory official of another state, of the most  
 19 recent examination of a foreign insurer or health maintenance organization, alien  
 20 insurer or health maintenance organization, or an out of state rating organization.

21 (F) ~~NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE CONTRARY,~~  
 22 ~~WITH RESPECT TO THE EXAMINATION OF AN AUTHORIZED TITLE INSURER:~~

23 (1) ~~THE EXAMINATION SHALL BE LIMITED TO EXAMINATION FOR~~  
 24 ~~COMPLIANCE WITH THE FOLLOWING PROVISIONS OF THIS ARTICLE, AS APPLICABLE:~~

25 (I) ~~§ 22-102 OF THIS ARTICLE;~~

26 (II) ~~§ 22-103 OF THIS ARTICLE;~~

27 (III) ~~TITLE 11 OF THIS ARTICLE, AS IT RELATES TO RATE AND FORM~~  
 28 ~~FILINGS AND APPROVALS; AND~~

29 (IV) ~~TITLE 27, SUBTITLES 2, 3, AND 8 OF THIS ARTICLE;~~

30 (2) ~~THE EXAMINATION MAY NOT INCLUDE AN EXAMINATION OF:~~

31 (I) ~~THE ESCROW, CLOSING, OR SETTLEMENT PRACTICES OF A~~  
 32 ~~TITLE INSURANCE PRODUCER; OR~~

1                   (II)     ~~THE CONTENTS OF THE ESCROW, CLOSING, OR SETTLEMENT~~  
 2 ~~FILES OR RECORDS OF A TITLE INSURANCE PRODUCER; AND~~

3                   (3)     ~~ANY REPORT OF THE EXAMINATION ISSUED IN ACCORDANCE WITH §~~  
 4 ~~2-209 OF THIS SUBTITLE SHALL BE MADE WITH RESPECT TO EACH AUTHORIZED~~  
 5 ~~TITLE INSURER UNDER THE EXAMINATION, AND A SINGLE REPORT MAY NOT BE~~  
 6 ~~MADE TO APPLY TO MORE THAN ONE AUTHORIZED TITLE INSURER.~~

7 ~~10-101.~~

8           (a)     ~~In this subtitle the following words have the meanings indicated.~~

9           (b)     ~~"Business entity" means a corporation, professional association,~~  
 10 ~~partnership, limited liability company, limited liability partnership, or other legal~~  
 11 ~~entity.~~

12           (d)     (1)   ~~"License" means a document issued by the Commissioner to act as an~~  
 13 ~~insurance producer for the kind or subdivision of insurance or combination of kinds or~~  
 14 ~~subdivisions of insurance specified in the document.~~

15                   (2)   ~~"License" includes a limited lines license.~~

16           (i)     (1)   ~~"Title insurance producer" means a person that, for compensation,~~  
 17 ~~solicits, procures, or negotiates title insurance contracts.~~

18                   (2)   ~~"Title insurance producer" includes a person that provides escrow,~~  
 19 ~~closing, or settlement services that [may] result in the issuance of a title insurance~~  
 20 ~~contract.~~

21                   (3)   ~~"Title insurance producer" does not include:~~

22                           (i)   ~~individuals employed and used by title insurance producers for~~  
 23 ~~the performance of clerical and similar office duties;~~

24                           (ii)   ~~a financial institution as defined in § 1-101(i) of the Financial~~  
 25 ~~Institutions Article that does not solicit, procure, or negotiate title insurance~~  
 26 ~~contracts for compensation; or~~

27                           (iii)   ~~a title insurance insurer that is licensed under this article.~~

28 ~~10-103.~~

29           (a)     ~~In this section, the term "insurer" does not include an insurer's officers,~~  
 30 ~~directors, employees, subsidiaries, or affiliates.~~

31           (b)     ~~The licensing requirements of this section do not apply to:~~

32                   (1)   ~~an insurer;~~

1                   (2)     an officer, director, or employee of an insurer or of an insurance  
2 producer who does not receive any commission on policies written or sold to insure  
3 risks residing, located or to be performed in the State if:

4                   (i)     the activities of the officer, director, or employee are executive,  
5 administrative, managerial, clerical, or a combination of these, and are only indirectly  
6 related to the sale, solicitation, or negotiation of insurance;

7                   (ii)    the function of the officer, director, or employee relates to  
8 underwriting, loss control, inspection, or the processing, adjusting, investigating, or  
9 settling of a claim on a contract of insurance; or

10                  (iii)   the officer, director, or employee is acting in the capacity of a  
11 special agent or agency supervisor assisting insurance producers where the  
12 individual's activities are limited to providing technical advice and assistance to  
13 licensed insurance producers and do not include the sale, solicitation, or negotiation  
14 of insurance;

15                  (3)     an individual who performs administrative services related to mass  
16 marketed property and casualty insurance, provided that no commission is paid to the  
17 individual for the services;

18                  (4)     an employer, association, the officers, directors, and employees of an  
19 employer or association, or the trustees of an employee trust plan if:

20                  (i)     the employer, association, officers, directors, and employees, or  
21 trustees are engaged in the administration or operation of a program of employee  
22 benefits for the employer's or association's own employees or the employees of its  
23 subsidiaries or affiliates;

24                  (ii)    the program involves the use of insurance issued by an insurer;  
25 and

26                  (iii)   the employer, association, officers, directors, and employees, or  
27 trustees are not in any manner compensated, directly or indirectly, by the insurer  
28 issuing the contracts;

29                  (5)     an employee of an insurer or organization employed by an insurer  
30 who is:

31                  (i)     engaged in the inspection, rating, or classification of risks or in  
32 the supervision of the training of insurance producers; and

33                  (ii)    not individually engaged in the sale, solicitation, or negotiation  
34 of insurance;

35                  (6)     a person whose activities in the State are limited to advertising  
36 without the intent to solicit insurance in the State through communications in  
37 printed publications or other forms of electronic mass media if:

1 (i) the distribution of the printed publications or other forms of  
2 electronic mass media is not limited to residents of the State; and

3 (ii) the person does not sell, solicit, or negotiate insurance that  
4 would insure risks residing, located, or to be performed in the State;

5 (7) a person who is not a resident of the State who sells, solicits, or  
6 negotiates a contract of insurance for commercial property and casualty risks to an  
7 insured with risks located in more than one state insured under the contract if:

8 (i) the person is otherwise licensed as an insurance producer to  
9 sell, solicit, or negotiate that insurance in the state where the insured maintains its  
10 principal place of business; and

11 (ii) the contract insures risks located in that state; [or]

12 (8) a salaried, full-time employee who counsels or advises the employee's  
13 employer relative to the insurance interests of the employer or of the subsidiaries or  
14 business affiliates of the employer, provided that the employee does not sell or solicit  
15 insurance or receive a commission; OR

16 (9) AN EMPLOYEE OR OFFICER OF AN AUTHORIZED TITLE INSURER.

17 (e) Except as otherwise provided in this article, before a person acts as an  
18 insurance producer in the State, the person must obtain:

19 (1) a license in the kind or subdivision of insurance for which the person  
20 intends to act as an insurance producer; and

21 (2) if acting for an insurer, an appointment from the insurer.

22 (d) (1) Except as otherwise provided in this subsection, an insurance  
23 producer may not sell, solicit, or negotiate any insurance on behalf of an insurer for  
24 which the insurance producer does not have an appointment.

25 (2) Without an appointment, an insurance producer may:

26 (i) submit to an insurer an informal inquiry for any kind of life  
27 insurance, health insurance, or annuity for which the insurance producer has a  
28 license if the insurer has a certificate of authority for the kind of insurance about  
29 which the inquiry is made; and

30 (ii) solicit an application for any kind of life insurance, health  
31 insurance, or annuity for which the insurance producer has a license if the insurer to  
32 which the application is submitted has a certificate of authority for the kind of  
33 insurance requested in the application.

34 (3) WITHOUT AN APPOINTMENT, A LICENSED TITLE INSURANCE  
35 PRODUCER ACTING ON BEHALF OF ANOTHER LICENSED AND APPOINTED TITLE

~~1 INSURANCE PRODUCER MAY PROVIDE ESCROW, CLOSING, OR SETTLEMENT~~  
~~2 SERVICES THAT RESULT IN THE ISSUANCE OF A TITLE INSURANCE CONTRACT.~~

3 ~~10-118.~~

4 (a) In this section, "producer register" means a register of appointed insurance  
5 producers who are authorized to sell, solicit, or negotiate contracts of insurance on  
6 behalf of an insurer.

7 (b) (1) An insurer authorized to transact the business of insurance in the  
8 State shall maintain a producer register.

9 (2) Within 30 days of the insurer appointing an insurance producer, the  
10 insurer shall include the following information in the insurer's producer register:

- 11 (i) the insurance producer's name;
- 12 (ii) the license number assigned to the insurance producer by the  
13 Commissioner;
- 14 (iii) the date that the insurer appointed the insurance producer; and
- 15 (iv) any additional information that the Commissioner may require.

16 (3) An insurer shall send written documentation of the appointment to  
17 the insurance producer.

18 (c) A licensed insurance producer that has been appointed by an insurer shall  
19 maintain:

- 20 (1) documentation of the insurer's appointment; and
- 21 (2) a list of the insurers that have appointed the producer.

22 (d) (1) The insurer's producer register and the producer's record relating to  
23 an appointment:

- 24 (i) shall be open to inspection and examination by the  
25 Commissioner; and
- 26 (ii) may be maintained electronically.

27 (2) Except as provided in ~~[paragraph (3)]~~ PARAGRAPHS (3) AND (4) of this  
28 subsection, an insurance producer may not act on behalf of an insurer unless the  
29 insurance producer has received written documentation of the appointment from the  
30 insurer.

31 (3) An insurer may initially accept an application for life insurance,  
32 health insurance, or an annuity from an insurance producer who is not appointed by  
33 the insurer and is not on the insurer's producer register if, within 30 days of accepting  
34 the application, the insurer:

1 (i) rejects the application in accordance with § 27-501 of this  
2 article; or

3 (ii) appoints the insurance producer and enters in the insurer's  
4 producer register the information required by subsection (b) of this section.

5 (4) ~~WITHOUT AN APPOINTMENT, A LICENSED TITLE INSURANCE  
6 PRODUCER ACTING ON BEHALF OF ANOTHER LICENSED AND APPOINTED TITLE  
7 INSURANCE PRODUCER MAY PROVIDE ESCROW, CLOSING, OR SETTLEMENT  
8 SERVICES THAT RESULT IN THE ISSUANCE OF A TITLE INSURANCE CONTRACT.~~

9 10-101.

10 (J) "TITLE INSURANCE PRODUCER INDEPENDENT CONTRACTOR" MEANS A  
11 PERSON THAT:

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

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

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

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

21 [(k)] (L) "Uniform business entity application" means the current version of  
22 the NAIC uniform business entity application for resident and nonresident business  
23 entities.

24 10-121.

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

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

31 (j) (1) (i) The EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS  
32 SUBSECTION, THE title insurer shall[, at least annually,] DURING EACH CALENDAR  
33 YEAR conduct an on-site review of the underwriting, claims, and escrow practices of  
34 each title insurance producer appointed by the insurer as a principal agent as  
35 designated in the title insurance agency contract between the insurer and the  
36 producer.



1 (II) ~~EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION,~~  
 2 ~~THE ON-SITE REVIEW SHALL BE CONDUCTED:~~

3 1. ~~AT LEAST ONCE AT ANY TIME DURING THE CALENDAR~~  
 4 ~~YEAR IMMEDIATELY FOLLOWING THE CALENDAR YEAR IN WHICH THE TITLE~~  
 5 ~~INSURANCE PRODUCER IS APPOINTED; AND~~

6 2. ~~AFTER THE FIRST ON-SITE REVIEW, AT LEAST ONCE AT~~  
 7 ~~ANY TIME DURING EACH SUCCESSIVE CALENDAR YEAR IN WHICH THE TITLE~~  
 8 ~~INSURANCE PRODUCER IS APPOINTED.~~

9 (HH) The on-site review shall include a review of the title insurance  
 10 producer's or agency's policy blank inventory and processing operations.

11 [(ii)] (IV) (III) If the title insurance producer or agency does not  
 12 maintain separate bank or trust accounts for each title insurer it represents, the title  
 13 insurer shall verify that the funds held on its behalf are reasonably ascertainable  
 14 from the books of account and records of the title insurance producer or agency.

15 (2) A written report setting forth the results of the on-site review shall  
 16 be prepared by the title insurer and is subject to ~~financial~~ examination under § 2-205  
 17 of this article.

18 (3) If, as a result of the examination, a title insurer has reasonable cause  
 19 to believe that a title insurance producer or agency has [failed to remit premiums or  
 20 funds owed or that any other violation of this article has been committed] ~~VIOLATED~~  
 21 ~~ANY PROVISION OF THIS ARTICLE ENGAGED IN ANY OF THE PROHIBITED ACTIVITIES~~  
 22 ~~SET FORTH IN § 10-126 OF THIS SUBTITLE~~, the title insurer shall report in writing the  
 23 suspected violation to the Commissioner and submit a copy of the examination.

24 (4) The examination required under this section is in addition to any  
 25 examination conducted by the Commissioner to determine compliance with the  
 26 accounts maintained for the benefit of the Maryland Affordable Housing Trust under  
 27 § 22-103 of this article.

28 (5) ~~THE TITLE INSURER IS NOT REQUIRED TO PERFORM THE ON-SITE~~  
 29 ~~REVIEW OF A TITLE INSURANCE PRODUCER FOR THE CALENDAR YEAR IN WHICH~~  
 30 ~~THE TITLE INSURER TERMINATES THE TITLE INSURANCE PRODUCER'S~~  
 31 ~~APPOINTMENT DURING WHICH THE TITLE INSURANCE PRODUCER IS INITIALLY~~  
 32 ~~APPOINTED IF THE APPOINTMENT IS MADE ON OR AFTER JUNE 30 OF THAT~~  
 33 ~~CALENDAR YEAR.~~

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

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

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

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

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

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

12 10-121.1.

13 A TITLE INSURANCE PRODUCER MAY NOT USE OR ACCEPT THE SERVICES OF A  
 14 TITLE INSURANCE PRODUCER INDEPENDENT CONTRACTOR UNLESS THE TITLE  
 15 INSURANCE PRODUCER INDEPENDENT CONTRACTOR HOLDS AN APPOINTMENT  
 16 WITH THE TITLE INSURER WITH WHICH THE CONTRACT OF TITLE INSURANCE MAY  
 17 BE PLACED.

18 10-125.

19 (a) (1) In this section the following words have the meanings indicated.

20 (2) ~~"ATTORNEY AT LAW" "ATTORNEY" MEANS AN INDIVIDUAL ATTORNEY~~  
 21 ~~WHO IS AN INDIVIDUAL ADMITTED TO PRACTICE BEFORE LAW BY THE COURT OF~~  
 22 ~~APPEALS OF THE STATE.~~

23 ~~[(2)]~~ (3) (i) "Law firm" means ~~an association of attorneys AT LAW~~  
 24 ~~{who are admitted to practice before the Court of Appeals of the State} who EMPLOY,~~  
 25 ~~OR ARE IN PARTNERSHIP OR OTHER ASSOCIATION WITH, AN ATTORNEY AT LAW OR~~  
 26 ~~ATTORNEYS AT LAW WHO AN ASSOCIATION OF ATTORNEYS IN A LAW PARTNERSHIP,~~  
 27 ~~PROFESSIONAL CORPORATION, SOLE PROPRIETORSHIP, OR OTHER BUSINESS ENTITY~~  
 28 ~~WHO:~~

29 1. are primarily engaged in the practice of law; and

30 2. solicit, procure, or negotiate title insurance contracts only  
 31 as an incident to the practice of law.

32 (ii) {"Law firm" includes a sole practitioner.

33 (iii)} "Law firm" does not include:

34 1. an attorney or an association of attorneys who own,  
 35 operate, or share an interest in a title agency; or

1 2. an attorney who is employed by a title agency as a title  
2 insurance producer.

3 [(3) (i)] (4) (I) "Title agency" means a business ENTITY, OTHER THAN  
4 A LAW FIRM, formed for the primary purpose of soliciting, procuring, or negotiating  
5 title insurance contracts and providing settlement services.

6 {(ii) "Title agency" includes a sole proprietor, partnership, or  
7 corporation.}

8 (b) Subject to this section, the Commissioner may issue a limited lines license  
9 to an attorney ~~at law [of the State]~~ WHO SOLICITS, PROCURES, OR NEGOTIATES  
10 TITLE INSURANCE CONTRACTS to act as a title insurance producer.

11 (c) All licensing provisions of this subtitle apply to:

12 (1) ~~AN ATTORNEY AT LAW~~ WHO SOLICITS, PROCURES, OR  
13 NEGOTIATES TITLE INSURANCE CONTRACTS; AND

14 (2) title agencies even if the title agency is established or owned by  
15 an attorney or [a law firm] AN ASSOCIATION OF ATTORNEYS.

16 (d) Notwithstanding any other provision of this subtitle:

17 [(1) the bonding requirements of this subtitle relating to title insurance  
18 producers do not apply to law firms and individual attorneys practicing law in law  
19 firms;

20 (2) the limited liability company, corporate, and partnership  
21 requirements of this subtitle relating to title insurance producers do not apply to law  
22 firms; and

23 (3) the education, experience, and examination requirements of this  
24 subtitle relating to title insurance producers do not apply to individual attorneys]

25 (1) (I) THE LICENSING, BONDING, EDUCATION, EXPERIENCE, AND  
26 EXAMINATION REQUIREMENTS OF THIS SUBTITLE RELATING TO TITLE INSURANCE  
27 PRODUCERS DO NOT APPLY TO LAW FIRMS; AND

28 ~~(2)~~ (II) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (2) OF THIS  
29 SUBSECTION, THE BONDING, EDUCATION, EXPERIENCE, AND EXAMINATION  
30 REQUIREMENTS OF THIS SUBTITLE RELATING TO TITLE INSURANCE PRODUCERS DO  
31 NOT APPLY TO ATTORNEYS.

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

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

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

3 22-102.

4 (a) [When] EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION,  
5 WHEN, in connection with a real estate transaction that involves a purchase money  
6 mortgage or deed of trust on land in the State, a title insurer accepts a premium for  
7 a policy that insures the title to the property or the title insurer, its agent, or  
8 employee accepts a premium for mortgagee title insurance, the person first accepting  
9 the premium:

10 (1) shall insert the name of each insured in the binder for the title  
11 insurance or the title report; and

12 (2) immediately on receipt of the premium, shall deliver to the buyer or  
13 agent or attorney of the buyer written notice:

14 (i) of the name of each insured under the policy;

15 (ii) of the face amount of the policy;

16 (iii) of the buyer's right and opportunity to obtain simultaneous title  
17 insurance in the buyer's favor;

18 (iv) of the additional premium that will be required for purchase of  
19 simultaneous title insurance in the buyer's favor;

20 (v) that the buyer's title insurance will be subject only to the  
21 contingencies and conditions contained in the binder, title report, and policy;

22 (vi) of the buyer's right to review a sample of the form of policy in  
23 which the contingencies and conditions will be inserted; and

24 (vii) that contains a clear statement of the contingencies that must  
25 be satisfied to make the buyer's policy effective, if the buyer's policy is not effective on  
26 payment of the premium.

27 (b) Before disbursing any funds, the person required to give notice under  
28 subsection (a) of this section shall obtain from the buyer, at the time the person  
29 delivers the notice, a statement in writing that the buyer has received the notice  
30 described in subsection (a) of this section and that the buyer wants or does not want  
31 owner's title insurance.

32 (c) (1) The person required to give notice under subsection (a) of this  
33 section[:

34 (i)] shall retain the original signed statement of receipt required by  
35 subsection (b) of this section and a copy of the notice required by subsection (a) of this  
36 section FOR 3 YEARS. [until the title insurance policy is issued; and

1 (ii) after the title insurance policy is issued, shall forward the  
2 statement of receipt and copy of the notice to the title insurer.

3 (2) The title insurer shall retain the statement of receipt and notice for 3  
4 years.

5 (3)] (2) The statement of receipt and notice shall be available for  
6 inspection by the Commissioner on request.

7 (D) THIS SECTION DOES NOT APPLY TO A REAL ESTATE TRANSACTIONS  
8 ~~SECURING COMMERCIAL LOANS AS DESCRIBED IN § 12-103(E) OF THE COMMERCIAL~~  
9 ~~LAW ARTICLE TRANSACTION INVOLVING A MORTGAGE OR DEED OF TRUST SECURING~~  
10 AN EXTENSION OF CREDIT MADE:

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

13 (2) TO ANY BUSINESS OR COMMERCIAL ORGANIZATION.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
15 October 1, 2006.