

**Department of Legislative Services**  
Maryland General Assembly  
2022 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 170

(Chair, Finance Committee)(By Request - Departmental -  
Maryland Insurance Administration)

Finance

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**Title Insurance – Insurers and Insurance Producers – Requirements**

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This departmental bill authorizes a title insurer in the State to conduct annual insurance producer reviews virtually or remotely by repealing the requirement that such reviews be conducted “on-site.” The written reports of these reviews must be submitted to the Insurance Commissioner on a specified form and in the manner directed by the Commissioner. The bill repeals the requirement that reviews address policy blank inventory and that certain notifications from an insurance producer to the Commissioner be sent by certified mail or electronic means. Notifications may instead be sent in the manner designated in bulletin by the Commissioner. The Commissioner may adopt regulations to implement provisions related to title insurance producers.

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**Fiscal Summary**

**State Effect:** The bill’s requirements can be handled using existing budgeted resources. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** The Maryland Insurance Administration (MIA) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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## Analysis

**Current Law:** Insurers and insurance producers in the State are subject to the requirements of the Insurance Article and regulated directly by the Commissioner and MIA.

Each title insurer must annually conduct an *on-site* review of the underwriting, claims, and escrow practices of each title insurance producer appointed by the insurer and evaluate certain information for the review. A title insurer must prepare a written report on the results of the review, which is subject to examination by MIA.

Each title insurance producer must notify the Commissioner (and any insurer with whom the producer holds an appointment) if an individual leaves the employment of or ends an association with the title insurance producer. A title insurance producer must provide notice within five working days, sent in writing by certified mail or electronic means.

**Background:** During the COVID-19 emergency, MIA issued Bulletin 20-29, which suspended on-site reviews of title insurance producers and authorized such reviews to be conducted through virtual and remote means for calendar 2020. MIA required title insurers to submit a plan for conducting reviews remotely to ensure the thoroughness and integrity of the process. Given the technology utilized in the insurance and title industries, MIA believes that it is appropriate to make the virtual option permanent.

Additionally, MIA advises that the review process can be improved by having title insurers focus on the specific information MIA seeks from the review process and making the reports submitted by title insurers uniform. Consequently, the bill simplifies the information that must be included in the review and modernizes how title insurance producers communicate with MIA by eliminating antiquated and expensive processes (such as certified mailings).

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## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - January 11, 2022  
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Analysis by: Richard L. Duncan

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510

**ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

**TITLE OF BILL:** Title Insurance – Insurers and Insurance Producers – Requirements

**BILL NUMBER:** SB 170

**PREPARED BY:**  
(Dept./Agency) Maryland Insurance Administration

**PART A. ECONOMIC IMPACT RATING**

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESSES

**PART B. ECONOMIC IMPACT ANALYSIS**

None.