

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 293
Finance

(Senator Beidle)

Economic Matters

Insurance - Title Insurance Producers - Annual Review

This bill authorizes a title insurer in the State to conduct annual insurance producer reviews (1) at the place of business of the title insurance producer; (2) remotely using mail, overnight delivery, or electronic means; or (3) through a combination of both on-site and remote methods. The bill also repeals the requirement that reviews address *policy blank inventory* and processing operations, and instead requires reviews to address *policy-issuing* and processing operations. The bill specifies that the written report prepared as a result of an annual review must be in a form and format created by the Commissioner.

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: Minimal.

Analysis

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

Additional Information

Prior Introductions: None.

Designated Cross File: HB 637 (Delegate Carey) - Economic Matters.

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

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