



1783 Forest Drive, Suite 305, Annapolis, MD 21401 | (443) 620-4408 ph. | (443) 458-9437 fax

**To:** Members of the Senate Finance Committee  
**From:** MLTA Legislative Committee  
**Date:** January 31, 2022  
**Subject:** **SB 293** – Title Insurance – Title Insurance Producers – Annual Review  
**Position:** **Support**

---

**The Maryland Land Title Association (MLTA) supports Senate Bill 293** – Insurance – Title Insurance Producers – Annual Review. SB293 will eliminate the requirement that title insurers conduct the annual review of their policy issuing title producers at the title producer’s place of business by removing the term “on-site review,” substituting in its place “annual review,” and specifying that such reviews may be conducted at the producer’s place of business; remotely via mail/delivery service or electronic means; or any combination of the two.

This legislation grew out of the Maryland Insurance Administration’s response to title insurer concerns during the pandemic of being required to enter the offices of its producers in order to conduct the required reviews. To address this concern, the Administration issued an emergency order allowing the reviews to be conducted remotely in 2020 and 2021. During this period, reviews were conducted off-site without any degradation in the quality or results of the reviews. As a result, all stakeholders recognized the “on-site” requirement adds costs with no real benefit to the review process and the Administration encouraged the title industry to seek legislation removing the requirement.

A hearing on a similar bill, SB170, was held earlier this month. That bill also removes the on-site requirement, but includes a provision authorizing the Commissioner to create a review report form that all title insurers would be required to use. **The MLTA recommends adoption of SB293 rather than SB170.**

Since approximately 1995, title insurers have been required, by statute, to conduct annual reviews. Title insurers prepare an internal report of the review that is used by the title insurer to ensure the producer is meeting both statutory requirements and the insurer’s own business requirements. Each insurer has, over the years, adopted its own preferred method of internally reporting these findings to its officers and audit committee members.

In 2014, the Administration drafted proposed regulations requiring title insurers to submit the results of reviews to the Administration using a specific form it had drafted. The documentation the report form would have required title insurers to investigate included information that would have been of little or no benefit to the insurer in its evaluation of the agency relationship and, in some cases, included information that was outside the insurer’s authority to review.

Because interested parties have the right to comment on proposed regulations and those comments must be considered in any rule making, the title insurance industry was able to convince the Administration to withdraw the proposed required report form from the regulation.

Members of the Maryland Land Title Association are concerned that, if the Administration is granted such authority by statute, title insurers and producers will have little to no say in its format, content or manner of submission. For those reasons, we encourage the members of this committee to either vote in favor of SB293 and against SB170 or, alternatively, amend SB170 to remove the provision granting the Administration authority to create a form of report.