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To: Members of the Finance Committee
From: MLTA Legislative Committee
Date: January 14, 2022 [Hearing date: January 19, 2022]
Subject: **SB 170** – Title Insurance – Insurers and Insurance Producers – Requirements
Position: **Support with Amendments**

The Maryland Land Title Association (MLTA) **supports with amendments Senate Bill 170** – Title Insurance – Insurers and Insurance Producers – Requirements. The bill seeks to eliminate the requirement that title insurers conduct their annual review of their policy issuing title producers in person “on-site” at the title producer’s place of business.

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.” For 2020 and 2021 the Commissioner has allowed title insurers to conduct such review remotely given the health emergency created by COVID-19. All stakeholders recognize that the “in-person” (aka on-site) requirement adds anxiety to the process with no benefit to the process or review.

The MLTA proposes the amendments below to make the statute consistent and coherent. The word “examination” in (k)(3) and (4) should be removed in three places. The statute does not require title insurers to conduct an “examination”. Instead, it is a review of certain specified matters. The Commissioner conducts examinations; title insurers conduct reviews. Thus, the second use of the word in k(4) is appropriate and should remain. The second amendment clarifies that such report be submitted on the Commissioner’s form.

Proposed Amendment: On Page 5 starting with line 22 and continuing to line 29:

(3) If, as a result of the ~~review examination~~, a title insurer has reasonable cause to believe that a title insurance producer or agency has engaged in any of the prohibited activities set forth in § 10-126 of this subtitle, the title insurer shall report in writing the suspected violation to the Commissioner ~~and submit a copy of~~ **in the report prepared under paragraph (2)- examination.**

(4) The ~~review examination~~ required under this section is in addition to any examination conducted by the Commissioner to determine compliance with the accounts maintained for the benefit of the Maryland Affordable Housing Trust under § 22-105 of this article.

For these reasons, the MLTA **supports with amendments Senate Bill 170 and asks that the amendments be adopted in a favorable report.**
