

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 441
Economic Matters

(Delegate Gordon, *et al.*)

Finance

**Title Insurance Producers and Agencies - Statements of Financial Condition -
Repeal of Filing Requirement**

This bill repeals the requirement that a title insurance producer or agency that is appointed with a title insurer have on file with the insurer an annual statement of financial condition.

Fiscal Summary

State Effect: None. The bill would not affect the operations or finances of the Maryland Insurance Administration.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: A title insurance producer or agency that is appointed with a title insurer must have on file with the insurer an annual statement of financial condition. Chapter 209 of 2001 exempted law firms and attorneys practicing in law firms from the filing requirement. A title insurer must conduct an on-site review of the underwriting, claims, and escrow practices of each producer appointed as a principal agent. The review must include a review of the title insurance producer's or agency's policy blank inventory and processing operations. A title insurer must prepare a written report setting forth the results of the on-site review. The report is subject to financial examination by the Insurance Commissioner.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 5, 2002
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