

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Insurance

10-101.

(J) "TITLE INSURANCE PRODUCER INDEPENDENT CONTRACTOR" MEANS A PERSON THAT:

(1) IS LICENSED TO ACT AS A TITLE INSURANCE PRODUCER;

(2) PROVIDES ESCROW, CLOSING, OR SETTLEMENT SERVICES THAT MAY RESULT IN THE ISSUANCE OF A TITLE INSURANCE CONTRACT AS AN INDEPENDENT CONTRACTOR FOR OR ON BEHALF OF A LICENSED AND APPOINTED TITLE INSURANCE PRODUCER; AND

(3) IS NOT AN EMPLOYEE OF, OR ASSOCIATED WITH, THE LICENSED AND APPOINTED TITLE INSURANCE PRODUCER.

[(j)] (K) "Uniform application" means the current version of the NAIC uniform application for resident and nonresident insurance producer licensing.

[(k)] (L) "Uniform business entity application" means the current version of the NAIC uniform business entity application for resident and nonresident business entities.

10-121.

(d) (1) In addition to meeting any of the applicable requirements for a license to act as an insurance producer under this subtitle, a sole proprietor, a limited liability company, a partnership, or a corporate applicant for a license as a title insurance producer shall file with the Commissioner:

(i) a blanket fidelity bond covering appropriate employees AND TITLE INSURANCE PRODUCER INDEPENDENT CONTRACTORS; and

(j) (1) (i) The EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION, THE title insurer shall[, at least annually,] DURING EACH CALENDAR YEAR conduct an on-site review of the underwriting, claims, and escrow practices of each title insurance producer appointed by the insurer as a principal agent as designated in the title insurance agency contract between the insurer and the producer.

(II) EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION, THE ON-SITE REVIEW SHALL BE CONDUCTED:

1. AT LEAST ONCE AT ANY TIME DURING THE CALENDAR YEAR IMMEDIATELY FOLLOWING THE CALENDAR YEAR IN WHICH THE TITLE INSURANCE PRODUCER IS APPOINTED; AND

2. AFTER THE FIRST ON-SITE REVIEW, AT LEAST ONCE AT ANY TIME DURING EACH SUCCESSIVE CALENDAR YEAR IN WHICH THE TITLE INSURANCE PRODUCER IS APPOINTED.