

SEARCHES FOR INSTRUMENTS, LIENS, CHARGES, OR OTHER MATTERS AFFECTING THE TITLE TO REAL OR LEASEHOLD PROPERTY OR AN ESTATE IN REAL OR LEASEHOLD PROPERTY.

(B) APPLICABILITY TO INSURERS.

THIS SUBTITLE APPLIES TO A PERSON THAT MAKES GUARANTEES OR ISSUES INSURANCE DESCRIBED IN SUBSECTION (A) OF THIS SECTION.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 242A(a).

In subsection (b) of this section, the former definition of "insurer" is revised as a scope provision to reflect the Insurance Article Review Committee's understanding of this provision. No substantive change is intended.

Defined terms: "Insurance" § 1-101
"Person" § 1-101

11-402. RATE MAKING PRINCIPLES GENERALLY.

(A) IN GENERAL.

ALL TITLE INSURANCE RATES SHALL BE MADE IN ACCORDANCE WITH THIS SECTION.

(B) REASONABLE AND ADEQUATE RATES.

RATES SHALL BE REASONABLE AND ADEQUATE FOR THE CLASS OF RISKS TO WHICH THEY APPLY.

(C) UNFAIRLY DISCRIMINATORY RATES.

RATES MAY NOT DISCRIMINATE UNFAIRLY BETWEEN RISKS THAT INVOLVE ESSENTIALLY THE SAME HAZARDS AND EXPENSE ELEMENTS.

(D) FACTORS TO BE CONSIDERED.

DUE CONSIDERATION SHALL BE GIVEN TO:

- (1) PAST AND PROSPECTIVE LOSS EXPERIENCE WITHIN AND OUTSIDE THE STATE;
- (2) A REASONABLE MARGIN FOR PROFIT AND CONTINGENCIES;
- (3) THE COST OF PARTICIPATING INSURANCE;
- (4) THE PERCENTAGE TO BE ALLOCATED TO RESERVE;
- (5) OPERATING EXPENSES; AND
- (6) ALL OTHER RELEVANT FACTORS FAIRLY ATTRIBUTABLE TO THE BUSINESS OF TITLE INSURANCE.

(E) CLASSIFICATIONS OF GUARANTEES.