

LICENSE to act as a title insurance [agent or title insurance broker] PRODUCER and, if applicable, an appointment with a title insurer.

(c) (1) When the application of a partnership for a [certificate of qualification] LICENSE as a title insurance [agent or title insurance broker] PRODUCER is submitted, the Commissioner shall investigate the character of each partner of the partnership applicant.

(2) When the application of a corporation for a [certificate of qualification] LICENSE as a title insurance [agent or title insurance broker] PRODUCER is submitted, the Commissioner shall investigate the character of each controlling owner and each officer and director of the corporate applicant.

(3) When the application of a limited liability company for a [certificate of qualification] LICENSE is submitted, the Commissioner shall investigate the character of each individual who has direct control over its fiscal management and each member, manager, officer, and director of the limited liability company applicant.

(d) (1) In addition to meeting any of the applicable requirements for a [certificate of qualification] LICENSE to act as an [agent or broker] INSURANCE PRODUCER under this subtitle, a sole proprietor, a limited liability company, a partnership, or a corporate applicant for a [certificate of qualification] LICENSE as a title insurance [agent or title insurance broker] PRODUCER shall file with the Commissioner:

- (i) a blanket fidelity bond covering appropriate employees; and
- (ii) 1. a blanket surety bond; or
2. a letter of credit.

(2) Unless the Commissioner approves a lesser amount, each bond or letter of credit shall be for \$100,000.

(3) The Commissioner may adopt regulations that specify when it is appropriate for a bond or letter of credit to be less than \$100,000.

(4) Notwithstanding paragraph (2) of this subsection, the Commissioner may waive the requirement for a bond or letter of credit if the Commissioner finds that bonds are not generally available or reasonably affordable.

(5) The Commissioner shall make a specific finding that states the reason for accepting a bond or letter of credit for less than \$100,000.

(e) (1) The surety bond or letter of credit shall be for the benefit of any person that suffers a loss if the title insurance [agent or title insurance broker] PRODUCER converts or misappropriates money received or held in escrow or trust while:

- (i) acting as a title insurance [agent or title insurance broker] PRODUCER; or