

CHAPTER 431

(Senate Bill 728)

AN ACT concerning

**Title Insurance Agents or Brokers - Certificates of Qualification -
Controlling Owner of Corporation**

FOR the purpose of providing that a person is not considered a controlling owner of a corporation under certain circumstances and is not required to hold a certificate of qualification to act as a title insurance agent or broker; and generally relating to requirements for corporate applicants for certificates of qualification as title insurance agents or brokers.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 10-121(b)

Annotated Code of Maryland

(1997 Volume)

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

Article - Insurance

10-121.

(b) (1) If an applicant for a certificate of qualification is a partnership, each partner must hold a certificate of qualification to act as a title insurance agent or title insurance broker and, if applicable, an appointment with a title insurer.

(2) (I) If an applicant for a certificate of qualification is a corporation, each controlling owner and each officer must hold a certificate of qualification to act as a title insurance agent or title insurance broker and, if applicable, an appointment with a title insurer.

(II) FOR PURPOSES OF THIS SUBPARAGRAPH (I) OF THIS PARAGRAPH, A PERSON IS NOT CONSIDERED A CONTROLLING OWNER OF A CORPORATION IF THE PERSON:

1. IS ~~MERELY~~ A PASSIVE STOCKHOLDER OF THE CORPORATION;
2. DOES NOT MANAGE OR HAVE DAY-TO-DAY CONTROL OVER THE OPERATION OF THE CORPORATION; AND
3. IS NOT AN OFFICER, DIRECTOR, OR EMPLOYEE OF THE CORPORATION WHO IN ANY OTHER WAY RENDERS SERVICES FOR THE CORPORATION FOR WHICH THE PERSON IS COMPENSATED BY THE CORPORATION.