

ROBERT L. EHRLICH, JR.
GOVERNOR

R. STEVEN ORR
COMMISSIONER

MICHAEL S. STEELE
LIEUTENANT GOVERNOR

JAMES V. McMAHAN, III
DEPUTY COMMISSIONER

P. TODD CIONI
ASSOCIATE COMMISSIONER
COMPLIANCE & ENFORCEMENT

STATE OF MARYLAND
MARYLAND INSURANCE ADMINISTRATION
525 St. Paul Place, Baltimore, Maryland 21202-2272
Writer's Direct Dial: 410-468-2235
Facsimile Number: 410-468-2204
e-mail : tcioni@mdinsurance.state.md.us

BULLETIN 06-18

Date: September 28, 2006

To: Title Insurers and Title Insurance Producers

Re: Fidelity Bonds

House Bill 1460, Chapter 620 of the Acts of 2006, is effective October 1, 2006. The purpose of this Bulletin is to clarify changes to Insurance Article, §10-121(d)(1)(i), Annotated Code of Maryland, which now requires a Title Insurance Producer ("Producer") to file with the Commissioner a fidelity bond(s) covering appropriate employees and Title Insurance Producer Independent Contractors ("TIPIC").

Currently, the Maryland Insurance Administration ("Administration") permits Title Insurance Producers to submit an affidavit in lieu of a fidelity bond in the event the Producer does not have employees who perform work in connection with the Producer's performance of escrow, closing or settlement services. The Administration will similarly allow Producers who do not utilize TIPICs to submit an affidavit to the Administration in lieu of a fidelity bond. Please note that the filing of a fidelity bond or affidavit covering TIPICs does not satisfy the separate requirement that a Producer have on file a fidelity bond or affidavit covering its applicable employees. Both affidavits may be obtained from the Administration's website at www.mdinsurance.state.md.us.

The requirement that Producers file a fidelity bond covering TIPICs may be satisfied by the filing of an appropriate fidelity bond which names the TIPIC as the insured and provides the statutorily mandated coverage to any Title Insurance Producer who utilizes their services in the capacity as a TIPIC.

Absent the filing of the fidelity bonds referenced above, as they relate to the TIPIC, or a waiver as it relates to the TIPIC, a Producer *may not* utilize the services of a TIPIC in connection with the performance of escrow, closing or settlement services.

P. Todd Cioni, Associate Commissioner
Compliance and Enforcement Unit
Maryland Insurance Administration