

(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.

(HH) The on-site review shall include a review of the title insurance producer's or agency's policy blank inventory and processing operations.

[(ii)](IV) (III) If the title insurance producer or agency does not maintain separate bank or trust accounts for each title insurer it represents, the title insurer shall verify that the funds held on its behalf are reasonably ascertainable from the books of account and records of the title insurance producer or agency.

(2) A written report setting forth the results of the on-site review shall be prepared by the title insurer and is subject to financial examination under § 2-205 of this article.

(3) If, as a result of the examination, a title insurer has reasonable cause to believe that a title insurance producer or agency has [failed to remit premiums or funds owed or that any other violation of this article has been committed] VIOLATED