

5815

2009-2010 Regular Sessions

I N S E N A T E

June 8, 2009

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the insurance law, in relation to licensing of agents of title insurance corporations

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. The insurance law is amended by adding a new article 21-A
2 to read as follows:

3 ARTICLE 21-A

4 TITLE INSURANCE AGENTS

5 SECTION 2151. DEFINITIONS.

6 2152. ACTING WITHOUT A LICENSE.

7 2153. TITLE INSURANCE AGENTS; LICENSING.

8 2154. TEMPORARY LICENSE IN CASE OF DEATH, SERVICE IN ARMED FORC-
9 ES OR DISABILITY.

10 2155. REVOCATION OR SUSPENSION OF LICENSE OF TITLE INSURANCE
11 AGENT OR CERTIFICATE OF APPOINTMENT OF A SUB-LICENSEE OR
12 AN ATTORNEY ACTING AS A TITLE INSURANCE AGENT.

13 2156. PENALTIES FOR VIOLATIONS.

14 2157. REVOKED LICENSEES.

15 2158. CERTIFICATE OF APPOINTMENT AND NOTICE OF TERMINATION OF A
16 TITLE INSURANCE AGENT, SUB-LICENSEE OR ATTORNEY.

17 2159. COMMISSIONS; PREMIUM SPLITTING AND OTHER PROHIBITED
18 PAYMENTS OR RECEIPTS OF PAYMENTS.

19 2160. ACTING FOR OR AIDING UNLICENSED OR UNAUTHORIZED TITLE
20 INSURANCE CORPORATIONS.

21 2161. CONTROLLED BUSINESS.

22 2162. FIDUCIARY CAPACITY OF LICENSEES.

23 2163. ADVERTISING BY LICENSEES.

24 2164. STAY OR SUSPENSION OF SUPERINTENDENT'S DETERMINATION.

25 2165. IMPERSONATION AT EXAMINATIONS PROHIBITED.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

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- 1 2166. CONTINUING EDUCATION.
2 2167. CHANGE OF ADDRESS.
3 2168. ADMINISTRATION OF CERTAIN FUNCTIONS.

4 S 2151. DEFINITIONS. IN THIS ARTICLE:

- 5 (A) "BUSINESS ENTITY" MEANS A CORPORATION, ASSOCIATION, PARTNERSHIP,
6 LIMITED LIABILITY COMPANY, LIMITED LIABILITY PARTNERSHIP OR OTHER LEGAL
7 ENTITY.
8 (B) "CONTROLLED BUSINESS" MEANS ANY PORTION OF A TITLE INSURANCE
9 AGENT'S BUSINESS THAT IS REFERRED TO IT BY AN ORIGINATOR OF TITLE INSUR-
10 ANCE BUSINESS, WHERE THE ORIGINATOR HAS A FINANCIAL INTEREST IN THE
11 TITLE INSURANCE AGENT.
12 (C) "CORE TITLE SERVICES" IN CONNECTION WITH THE ACTIVITIES GOVERNED
13 BY THIS ARTICLE MEANS:
14 (1) THE EVALUATION OF THE TITLE SEARCH TO DETERMINE INSURABILITY OF
15 THE TITLE;
16 (2) THE PREPARATION AND ISSUANCE OF A TITLE INSURANCE COMMITMENT;
17 (3) THE CLEARANCE OF UNDERWRITING EXCEPTIONS IN CONNECTION WITH THE
18 ISSUANCE OF A TITLE INSURANCE POLICY;
19 (4) THE MARKING UP OF A TITLE INSURANCE COMMITMENT TO BIND A TITLE
20 INSURANCE CORPORATION; AND
21 (5) THE PREPARATION AND ISSUANCE OF A TITLE INSURANCE POLICY ON BEHALF
22 OF A TITLE INSURANCE CORPORATION.
23 (D) "FINANCIAL INTEREST" MEANS A DIRECT OR INDIRECT INTEREST, LEGAL OR
24 BENEFICIAL, WHEREIN THE HOLDER IS OR WILL BE ENTITLED TO ANY PORTION OF
25 THE PROFITS OR NET WORTH OF THE PERSON IN WHICH THE INTEREST IS HELD.
26 (E) "LICENSEE" MEANS A TITLE INSURANCE AGENT TO WHOM A LICENSE HAS
27 BEEN ISSUED PURSUANT TO SECTION TWO THOUSAND ONE HUNDRED FIFTY-THREE OF
28 THIS ARTICLE.
29 (F) "NEGOTIATE" OR "NEGOTIATION" MEANS THE ACT OF CONFERRING DIRECTLY
30 WITH OR OFFERING ADVICE DIRECTLY TO A PURCHASER OR PROSPECTIVE PURCHASER
31 OF A PARTICULAR TITLE INSURANCE POLICY CONCERNING ANY OF THE SUBSTANTIVE
32 BENEFITS, TERMS OR CONDITIONS OF THE POLICY, PROVIDED THAT THE PERSON
33 ENGAGED IN THAT ACT SELLS TITLE INSURANCE.
34 (G) "ORIGINATOR" MEANS A PERSON, OR EMPLOYEE OF SUCH PERSON, HAVING A
35 FINANCIAL INTEREST IN ANY BUSINESS ENTITY ENGAGED IN THE BUSINESS OF OR
36 WHO IS INDIVIDUALLY ENGAGED IN THE BUSINESS OF:
37 (1) BUYING OR SELLING ANY INTEREST IN REAL PROPERTY;
38 (2) MAKING LOANS SECURED BY ANY INTEREST IN REAL PROPERTY; OR
39 (3) ACTING AS A REAL ESTATE BROKER OR AGENT, MORTGAGE LENDER, MORTGAGE
40 BANKER, MORTGAGE BROKER, OR AN AGENT, REPRESENTATIVE OR ATTORNEY OF A
41 PERSON WHICH LEASES, BUYS OR SELLS ANY INTEREST IN, OR WHICH LENDS OR
42 BORROWS MONEY SECURED BY AN INTEREST IN REAL PROPERTY.
43 (H) "PERSON" MEANS AN INDIVIDUAL OR A BUSINESS ENTITY.
44 (I) "REAL PROPERTY" MEANS ANY INTEREST IN REAL OR PERSONAL PROPERTY OR
45 ANY INTEREST IN A UNIT UNDER A PLAN OF COOPERATIVE OWNERSHIP FOR WHICH A
46 TITLE INSURANCE POLICY MAY BE ISSUED IN THIS STATE.
47 (J) "REFERRAL" MEANS THE DIRECTING OR INFLUENCING, OR THE EXERCISING
48 OF ANY POWER TO DIRECT OR INFLUENCE THE PLACEMENT OF TITLE INSURANCE
49 BUSINESS.
50 (K) "SELL" OR "SALE" MEANS TO EXCHANGE A TITLE INSURANCE POLICY BY ANY
51 MEANS, FOR MONEY OR ITS EQUIVALENT, ON BEHALF OF A LICENSED TITLE INSUR-
52 ANCE CORPORATION.
53 (L) "SOLICIT" OR "SOLICITATION" MEANS ATTEMPTING TO SELL TITLE INSUR-
54 ANCE OR ASKING OR URGING A PERSON TO APPLY FOR A PARTICULAR KIND OF
55 TITLE INSURANCE FROM A PARTICULAR LICENSED TITLE INSURANCE CORPORATION.

1 (M) "SUB-LICENSEE" MEANS AN INDIVIDUAL, OTHER THAN AN ORIGINATOR, WHO
2 IS A MEMBER, MANAGER, PARTNER, DIRECTOR, OFFICER OR EMPLOYEE OF A BUSI-
3 NESS ENTITY LICENSED AS A TITLE INSURANCE AGENT DESIGNATED BY SUCH TITLE
4 INSURANCE AGENT TO ACT ON ITS BEHALF AND TO FULFILL CONTINUING EDUCATION
5 REQUIREMENTS ON BEHALF OF THE TITLE INSURANCE AGENT.

6 (N) "TITLE INSURANCE AGENT" MEANS AN AUTHORIZED PERSON, OTHER THAN AN
7 EMPLOYEE OF A TITLE INSURANCE CORPORATION WHO, ON BEHALF OF THE TITLE
8 INSURANCE CORPORATION, PERFORMS THE FOLLOWING ACTS, IN CONJUNCTION WITH
9 THE ISSUANCE OF A TITLE INSURANCE COMMITMENT OR POLICY:

10 (1) DETERMINES INSURABILITY AND ISSUES TITLE INSURANCE COMMITMENTS OR
11 POLICIES, OR BOTH, BASED UPON THE PERFORMANCE OR REVIEW OF A TITLE
12 SEARCH; AND

13 (2) PERFORMS ONE OR MORE OF THE FOLLOWING FUNCTIONS:

14 (A) REMITS OR DISBURSES PREMIUMS OR OTHER FUNDS; OR

15 (B) SOLICITS OR NEGOTIATES THE ISSUANCE OF A TITLE INSURANCE POLICY.

16 (O) "TITLE INSURANCE COMMITMENT" MEANS A REPORT, BINDER, CERTIFICATE
17 OR OTHER DOCUMENT ISSUED PRIOR TO THE ISSUANCE OF A TITLE INSURANCE
18 POLICY WHICH CONTAINS THE TERMS, CONDITIONS AND EXCEPTIONS PURSUANT TO
19 WHICH A TITLE INSURANCE POLICY IS TO BE ISSUED.

20 (P) "TITLE INSURANCE CORPORATION" MEANS A CORPORATION ORGANIZED IN
21 COMPLIANCE WITH ARTICLE SIXTY-FOUR OF THIS CHAPTER, EXCEPT THAT FOR THE
22 PURPOSES OF SECTION TWO THOUSAND ONE HUNDRED SIXTY OF THIS ARTICLE, SUCH
23 TERM MEANS A CORPORATION DESCRIBED IN SECTION SIX THOUSAND FOUR HUNDRED
24 ONE OF THIS CHAPTER WHICH HAS NOT BEEN LICENSED PURSUANT TO THIS CHAPTER
25 TO DO THE KIND OF INSURANCE BUSINESS, WITH THE INCIDENTAL POWERS SPECI-
26 FIED IN SECTION SIX THOUSAND FOUR HUNDRED THREE OF THIS CHAPTER.

27 (Q) "TITLE INSURANCE POLICY" OR "TITLE INSURANCE" MEANS ANY POLICY OR
28 CONTRACT INSURING OR GUARANTEEING THE OWNERS OF REAL PROPERTY AND CHAT-
29 TELS REAL AND OTHER PERSONS INTERESTED THEREIN, OR HAVING LIENS THEREON,
30 AGAINST LOSS BY REASON OF ENCUMBRANCES THEREON AND DEFECTIVE TITLES, AND
31 ANY SUBSTANTIALLY SIMILAR KIND OF INSURANCE.

32 (R) "TITLE SEARCH" MEANS A WRITTEN SYNOPSIS OR SUMMARY OF INSTRUMENTS
33 AFFECTING TITLES TO REAL PROPERTY, CHATTELS REAL, AND COOPERATIVE UNITS
34 AND PROPRIETARY LEASES, AND OF LIENS OR CHARGES AFFECTING THE SAME.

35 S 2152. ACTING WITHOUT A LICENSE. (A) NO PERSON SHALL ACT AS A TITLE
36 INSURANCE AGENT IN THIS STATE WITHOUT HAVING AUTHORITY TO DO SO BY
37 VIRTUE OF A LICENSE ISSUED AND IN FORCE PURSUANT TO THE PROVISIONS OF
38 THIS CHAPTER.

39 (B) NO PERSON SHALL ACCEPT ANY FEE, COMPENSATION, COMMISSION OR OTHER
40 VALUABLE CONSIDERATION FOR ACTING AS A TITLE INSURANCE AGENT IN THIS
41 STATE, OR WITH RESPECT TO THE ISSUANCE OF A TITLE INSURANCE POLICY, IF
42 THAT PERSON IS REQUIRED TO BE LICENSED UNDER THIS ARTICLE AND IS NOT SO
43 LICENSED.

44 (C) A TITLE INSURANCE CORPORATION OR A TITLE INSURANCE AGENT MAY PAY
45 OR ASSIGN FEES, COMPENSATION, COMMISSIONS OR OTHER VALUABLE CONSIDER-
46 ATION TO A TITLE INSURANCE AGENT OR TO PERSONS WHO DO NOT ACT AS A TITLE
47 INSURANCE AGENT IN THIS STATE, UNLESS THE PAYMENT WOULD VIOLATE ANY
48 PROVISION OF THIS CHAPTER.

49 (D) EVERY LICENSEE SHALL NOTIFY THE SUPERINTENDENT UPON CHANGING HIS,
50 HER OR ITS LEGAL NAME. EXCEPT FOR AN INDIVIDUAL LICENSEE'S OWN LEGAL
51 NAME, NO LICENSEE SHALL USE ANY NAME, IN CONDUCTING A BUSINESS REGULATED
52 BY THIS ARTICLE, THAT HAS NOT BEEN PREVIOUSLY APPROVED BY THE SUPER-
53 INTENDENT.

54 (E) SUBSECTIONS (A) AND (B) OF THIS SECTION SHALL NOT APPLY TO:

55 (1) A TITLE INSURANCE CORPORATION, OR TO ANY OFFICER OR EMPLOYEE OF
56 SUCH TITLE INSURANCE CORPORATION ACTING IN THEIR CAPACITY AS SUCH IN

1 DISCHARGING THE DUTIES OF THEIR OFFICE OR EMPLOYMENT, OTHER THAN AN
2 ORIGINATOR, NOTWITHSTANDING THE MANNER IN WHICH THE OFFICER OR EMPLOYEE
3 MAY BE COMPENSATED;

4 (2) AN INDIVIDUAL, OTHER THAN AN ORIGINATOR, EMPLOYED BY A TITLE
5 INSURANCE AGENT, ACTING ON A FULL-TIME OR PART-TIME BASIS IN THE CAPACI-
6 TY OF AND WITHIN THE SCOPE OF HIS OR HER DUTIES AS SUCH AN EMPLOYEE
7 UNDER THE SUPERVISION OF A LICENSEE, NOTWITHSTANDING THE MANNER IN WHICH
8 SUCH EMPLOYEE OR SUB-LICENSEE MAY BE COMPENSATED;

9 (3) AN INDIVIDUAL, OTHER THAN AN ORIGINATOR, ENGAGED TO REPRESENT A
10 TITLE INSURANCE CORPORATION OR TITLE INSURANCE AGENT AT THE CLOSING OF
11 TITLE, AND ACTING IN SUCH CAPACITY, PROVIDED SUCH INDIVIDUAL IS PAID NO
12 MORE THAN THE REASONABLE AND CUSTOMARY COMPENSATION FOR SERVICES ACTUAL-
13 LY RENDERED AT SUCH CLOSING, BUT ONLY WITH RESPECT TO SUCH ENGAGEMENT;

14 (4) A PERSON, OTHER THAN AN ORIGINATOR, ACTING IN THE CAPACITY OF AN
15 INDEPENDENT CONTRACTOR FOR A TITLE INSURANCE AGENT OR FOR A TITLE INSUR-
16 ANCE CORPORATION, WHO RECEIVES COMPENSATION FROM SUCH AGENT OR CORPO-
17 RATION FOR SERVICES ACTUALLY RENDERED IN AN AMOUNT NOT IN EXCESS OF THE
18 REASONABLE AND CUSTOMARY COMPENSATION THEREOF, BUT ONLY WITH RESPECT TO
19 SUCH SERVICES;

20 (F) SUBSECTIONS (A) AND (B) OF THIS SECTION SHALL NOT APPLY TO AN
21 ATTORNEY LICENSED TO PRACTICE LAW IN THIS STATE WHO HOLDS A VALID
22 CERTIFICATE OF APPOINTMENT ISSUED TO AND IN FORCE WITH RESPECT TO SUCH
23 ATTORNEY PURSUANT TO SECTION TWO THOUSAND ONE HUNDRED FIFTY-EIGHT OF
24 THIS ARTICLE BY THE TITLE INSURANCE CORPORATION FOR WHICH SUCH ATTORNEY
25 IS ACTING AS A TITLE INSURANCE AGENT IN THIS STATE.

26 S 2153. TITLE INSURANCE AGENTS; LICENSING. (A) THE SUPERINTENDENT MAY
27 ISSUE A LICENSE TO ANY PERSON WHO OR WHICH HAS COMPLIED WITH THE
28 REQUIREMENTS OF THIS CHAPTER, AUTHORIZING SUCH LICENSEE TO ACT AS A
29 TITLE INSURANCE AGENT, ON BEHALF OF ONE OF MORE LICENSED TITLE INSURANCE
30 CORPORATIONS.

31 (B)(1) A LICENSE ISSUED TO A BUSINESS ENTITY SHALL DESIGNATE AT LEAST:

32 (A) ONE SUB-LICENSEE TO ACT AS A TITLE INSURANCE AGENT THEREUNDER AND
33 TO FULFILL THE CONTINUING EDUCATION REQUIREMENT UNDER SECTION TWO THOU-
34 SAND ONE HUNDRED SIXTY-SIX OF THIS ARTICLE WHO HAS FILED WITH THE SUPER-
35 INTENDENT A CERTIFICATE OF APPOINTMENT PURSUANT TO SECTION TWO THOUSAND
36 ONE HUNDRED FIFTY-EIGHT OF THIS ARTICLE; OR

37 (B) ONE ATTORNEY LICENSED TO PRACTICE LAW IN THIS STATE TO ACT AS A
38 TITLE INSURANCE AGENT THEREUNDER WHO HAS FILED WITH THE SUPERINTENDENT A
39 CERTIFICATE OF APPOINTMENT PURSUANT TO SECTION TWO THOUSAND ONE HUNDRED
40 FIFTY-EIGHT OF THIS ARTICLE.

41 (2) AT LEAST ONE SUCH DESIGNATED SUB-LICENSEE OR ATTORNEY MUST HAVE A
42 FINANCIAL INTEREST IN THE LICENSEE. A LICENSE ISSUED TO A BUSINESS ENTI-
43 TY SHALL AUTHORIZE ONLY THE DESIGNATED SUB-LICENSEE OR SUB-LICENSEES OR
44 THE DESIGNATED ATTORNEY OR ATTORNEYS TO ACT ON BEHALF OF THE TITLE
45 INSURANCE AGENT, AND EVERY SUCH DESIGNATED SUB-LICENSEE OR ATTORNEY
46 SHALL BE AUTHORIZED TO ACT ONLY IN THE NAME OF THE LICENSEE.

47 (C) EVERY INDIVIDUAL APPLICANT FOR A LICENSE UNDER THIS SECTION AND
48 EVERY DESIGNATED SUB-LICENSEE AND ATTORNEY SHALL BE EIGHTEEN YEARS OF
49 AGE OR OVER AT THE TIME OF THE ISSUANCE OF SUCH LICENSE.

50 (D) BEFORE ANY ORIGINAL TITLE INSURANCE AGENT'S LICENSE IS ISSUED
51 THERE SHALL BE ON FILE IN THE OFFICE OF THE SUPERINTENDENT:

52 (1) AN APPLICATION BY THE PROSPECTIVE LICENSEE IN SUCH FORM OR FORMS
53 AND SUPPLEMENTS, AND CONTAINING INFORMATION THE SUPERINTENDENT
54 PRESCRIBES AND FOR EACH BUSINESS ENTITY, THE SUB-LICENSEE, SUB-LICEN-
55 SEES, ATTORNEY OR ATTORNEYS NAMED IN THE APPLICATION SHALL BE DESIGNATED
56 RESPONSIBLE FOR THE BUSINESS ENTITY'S COMPLIANCE WITH THE INSURANCE

1 LAWS, RULES AND REGULATIONS OF THIS STATE. THE APPLICATION SHALL INCLUDE
2 THE NAMES AND ADDRESSES OF EACH DESIGNATED SUB-LICENSEE OR ATTORNEY,
3 EACH PERSON THAT HAS A FINANCIAL INTEREST IN THE APPLICANT, AND EACH
4 SUCH PERSON THAT IS OR WILL BE AN ORIGINATOR, AND WITH RESPECT TO EACH
5 SUB-LICENSEE, ATTORNEY AND ORIGINATOR, HIS, HER OR ITS FINANCIAL INTER-
6 EST IN THE APPLICANT AND IN EVERY OTHER TITLE INSURANCE AGENT OR INSUR-
7 ANCE AGENT WHOSE LICENSE HAD AT ANY TIME BEEN SUSPENDED OR REVOKED, AND
8 ANY OTHER INFORMATION THE SUPERINTENDENT PRESCRIBES.

9 (2) A CERTIFICATE OF APPOINTMENT ISSUED BY A TITLE INSURANCE CORPO-
10 RATION PURSUANT TO SECTION TWO THOUSAND ONE HUNDRED FIFTY-EIGHT OF THIS
11 ARTICLE, STATING THAT IT HAS MADE SUCH INVESTIGATION OF THE PROSPECTIVE
12 LICENSEE AND ITS SUB-LICENSEES AND ATTORNEYS AS IT DEEMS APPROPRIATE AND
13 THAT SUCH TITLE INSURANCE CORPORATION APPOINTS SUCH PROSPECTIVE LICENSEE
14 TO ACT AS ITS AGENT IF A LICENSE AS A TITLE INSURANCE AGENT IS ISSUED
15 BY THE SUPERINTENDENT TO THE PROSPECTIVE LICENSEE.

16 (E)(1) THE SUPERINTENDENT SHALL, IN ORDER TO DETERMINE THE COMPETENCY
17 OF EVERY INDIVIDUAL APPLICANT AND OF EVERY PROPOSED SUB-LICENSEE OF AN
18 APPLICANT BUSINESS ENTITY TO HAVE THE LICENSE APPLIED FOR, REQUIRE SUCH
19 INDIVIDUAL TO SUBMIT TO A PERSONAL WRITTEN EXAMINATION AND TO PASS THE
20 SAME TO THE SATISFACTION OF THE SUPERINTENDENT. SUCH EXAMINATION SHALL
21 BE HELD AT SUCH TIMES AND PLACES AS THE SUPERINTENDENT SHALL FROM TIME
22 TO TIME DETERMINE. EVERY INDIVIDUAL APPLYING TO TAKE ANY WRITTEN EXAM-
23 INATION SHALL, AT THE TIME OF APPLYING THEREFOR, PAY TO THE SUPERINTEN-
24 DENT, OR, AT THE DISCRETION OF THE SUPERINTENDENT, DIRECTLY TO ANY
25 ORGANIZATION THAT IS UNDER CONTRACT TO PROVIDE EXAMINATION SERVICES, AN
26 EXAMINATION FEE OF AN AMOUNT WHICH IS THE ACTUAL DOCUMENTED ADMINISTRA-
27 TIVE COST OF CONDUCTING SAID QUALIFYING EXAMINATION AS CERTIFIED BY THE
28 SUPERINTENDENT FROM TIME TO TIME. AN EXAMINATION FEE REPRESENTS AN
29 ADMINISTRATIVE EXPENSE AND IS NOT REFUNDABLE. THE SUPERINTENDENT MAY
30 ACCEPT, IN LIEU OF ANY SUCH EXAMINATION, THE RESULT OF ANY PREVIOUS
31 WRITTEN EXAMINATION, GIVEN BY THE SUPERINTENDENT, WHICH IN HIS OR HER
32 JUDGMENT IS EQUIVALENT TO THE EXAMINATION FOR WHICH IT IS SUBSTITUTED.

33 (2) NO INDIVIDUAL SHALL BE DEEMED QUALIFIED TO TAKE THE EXAMINATION
34 UNLESS HE OR SHE SHALL HAVE SUCCESSFULLY COMPLETED A COURSE OR COURSES,
35 APPROVED AS TO METHOD AND CONTENT BY THE SUPERINTENDENT, COVERING AT
36 LEAST THE CORE TITLE SERVICES AND THE TITLE INSURANCE POLICIES AND
37 REQUIRING NOT LESS THAN FORTY-FIVE HOURS OF CLASSROOM WORK OR THE EQUIV-
38 ALENT IN CORRESPONDENCE WORK OR SIMILAR INSTRUCTION. SUCH COURSE OR
39 COURSES EITHER SHALL HAVE BEEN GIVEN BY A DEGREE CONFERRING COLLEGE OR
40 UNIVERSITY WHICH HAS, WHEN SUCH COURSE IS TAKEN BY SUCH INDIVIDUAL, A
41 CURRICULUM OR CURRICULA REGISTERED WITH THE STATE EDUCATION DEPARTMENT,
42 WHETHER SUCH COURSE BE GIVEN AS PART OF ANY SUCH CURRICULA OR SEPARATE-
43 LY, OR BY ANY OTHER INSTITUTION, AGENTS' ASSOCIATION, TRADE ASSOCIATION,
44 BAR ASSOCIATION OR TITLE INSURANCE CORPORATION, WHICH MAINTAINS EQUIV-
45 ALENT STANDARDS OF INSTRUCTION AND WHICH SHALL HAVE BEEN APPROVED FOR
46 SUCH PURPOSE BY THE SUPERINTENDENT.

47 (F) NO SUCH WRITTEN EXAMINATION SHALL BE REQUIRED:

48 (1) IN THE DISCRETION OF THE SUPERINTENDENT, OF ANY INDIVIDUAL WHOSE
49 LICENSE HAS BEEN REVOKED OR SUSPENDED;

50 (2) IN CONNECTION WITH ANY CERTIFICATE OF APPOINTMENT FOR AN ADDI-
51 TIONAL TITLE INSURANCE CORPORATION;

52 (3) OF ANY APPLICANT WHO HAS PASSED THE WRITTEN EXAMINATION GIVEN BY
53 THE SUPERINTENDENT FOR A TITLE INSURANCE AGENT'S LICENSE AND WAS
54 LICENSED AS SUCH, OR OF AN APPLICANT WHO WAS LICENSED AS A TITLE INSUR-
55 ANCE AGENT BUT DID NOT PASS SUCH AN EXAMINATION, PROVIDED THE APPLICANT

1 APPLIES WITHIN TWO YEARS FOLLOWING THE DATE OF TERMINATION OF HIS OR HER
2 LICENSE; OR

3 (4) OF AN ATTORNEY LICENSED TO PRACTICE LAW IN THIS STATE.

4 (G) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, NO COURSE OF
5 STUDY OR WRITTEN EXAMINATION SHALL BE REQUIRED WITH RESPECT TO ANY
6 APPLICANT WHO FILES AN APPLICATION UNDER THIS SECTION WITHIN ONE YEAR
7 AFTER THE EFFECTIVE DATE OF THIS ARTICLE AND WHO DEMONSTRATES TO THE
8 SATISFACTION OF THE SUPERINTENDENT THAT SUCH PROSPECTIVE LICENSEE OR ITS
9 PROSPECTIVE SUB-LICENSEE HAS REGULARLY AND CONTINUOUSLY PERFORMED THE
10 FUNCTIONS OF A TITLE INSURANCE AGENT FOR A PERIOD OF AT LEAST FIVE YEARS
11 IMMEDIATELY PRECEDING THE FILING OF SUCH APPLICATION.

12 (H) THE SUPERINTENDENT MAY REFUSE TO ISSUE ANY TITLE INSURANCE AGENT'S
13 LICENSE IF, IN HIS OR HER JUDGMENT, THE PROPOSED LICENSEE OR ANY SUB-LI-
14 CENSEE OR ATTORNEY IS NOT TRUSTWORTHY AND COMPETENT TO ACT AS SUCH
15 AGENT, OR HAS GIVEN CAUSE FOR THE REVOCATION OR SUSPENSION OF SUCH A
16 LICENSE, OR HAS FAILED TO COMPLY WITH ANY PREREQUISITE FOR THE ISSUANCE
17 OF SUCH LICENSE.

18 (I)(1) THE SUPERINTENDENT MAY REQUIRE FROM EVERY APPLICANT AND FROM
19 EVERY PROPOSED SUB-LICENSEE, BEFORE OR AFTER ISSUING ANY SUCH LICENSE, A
20 STATEMENT SUBSCRIBED AND AFFIRMED AS TRUE UNDER THE PENALTIES OF PERJURY
21 AS TO THE OWNERSHIP OF ANY INTEREST IN AN APPLICANT BUSINESS ENTITY AND
22 AS TO FACTS INDICATING WHETHER ANY APPLICANT HAS BEEN BY REASON OF AN
23 EXISTING LICENSE, IF ANY, OR WILL, BY REASON OF THE LICENSE APPLIED FOR,
24 BE RECEIVING ANY BENEFIT OR ADVANTAGE IN VIOLATION OF SECTION TWO THOU-
25 SAND THREE HUNDRED TWENTY-FOUR OF THIS CHAPTER, AND ALSO AS TO SUCH
26 FACTS AS THE SUPERINTENDENT MAY DEEM PERTINENT TO THE REQUIREMENTS OF
27 THIS SUBSECTION. THE SUPERINTENDENT MAY REFUSE TO ISSUE, SUSPEND OR
28 REVOKE A LICENSE, AS THE CASE MAY BE, TO OR OF ANY APPLICANT AND ANY
29 LICENSEE IF THE SUPERINTENDENT FINDS THAT SUCH APPLICANT OR LICENSEE HAS
30 BEEN OR WILL BE, AS AFORESAID, RECEIVING ANY BENEFIT OR ADVANTAGE IN
31 VIOLATION OF SECTION TWO THOUSAND THREE HUNDRED TWENTY-FOUR OF THIS
32 CHAPTER, OR IF THE SUPERINTENDENT FINDS THAT AN ORIGINATOR HAVING A
33 FINANCIAL INTEREST IN THE APPLICANT OR LICENSEE WILL BE OR HAS BEEN THE
34 SOLE SOURCE OF BUSINESS OF THE APPLICANT OR LICENSEE OR THAT THE APPLI-
35 CANT OR LICENSEE DOES NOT OR WILL NOT HAVE SIGNIFICANT AND MULTIPLE
36 SOURCES OF BUSINESS;

37 (2) NOTHING HEREIN DISQUALIFIES ANY APPLICANT BY REASON OF ACTS DONE
38 OR FACTS EXISTING AT A TIME WHEN THE SAME DID NOT, UNDER THE LAW THEN IN
39 FORCE, CONSTITUTE OR CONTRIBUTE TO CONSTITUTING SUCH A DISQUALIFICATION.

40 (J)(1) EVERY LICENSE ISSUED TO A BUSINESS ENTITY PURSUANT TO THIS
41 SECTION SHALL EXPIRE ON JUNE THIRTIETH OF EVEN NUMBERED YEARS. EVERY
42 LICENSE ISSUED PURSUANT TO THIS SECTION TO AN INDIVIDUAL, WHO WAS BORN
43 IN AN ODD NUMBERED YEAR, SHALL EXPIRE ON THE INDIVIDUAL'S BIRTHDAY IN
44 EACH ODD-NUMBERED YEAR. EVERY LICENSE ISSUED PURSUANT TO THIS SECTION TO
45 AN INDIVIDUAL, WHO WAS BORN IN AN EVEN NUMBERED YEAR, SHALL EXPIRE ON
46 THE INDIVIDUAL'S BIRTHDAY IN EACH EVEN NUMBERED YEAR. EVERY SUCH LICENSE
47 MAY BE RENEWED FOR THE ENSUING PERIOD OF TWENTY-FOUR MONTHS UPON THE
48 FILING OF AN APPLICATION IN CONFORMITY WITH THIS SUBSECTION.

49 (2) SUCH LICENSES MAY BE ISSUED FOR ALL OF SUCH TWO YEAR TERMS, OR,
50 UPON APPLICATION MADE DURING ANY SUCH TERM, FOR THE BALANCE THEREOF.

51 (3) ANY LICENSE SHALL BE CONSIDERED IN GOOD STANDING WITHIN THE
52 LICENSE TERM UNLESS:

53 (A) REVOKED OR SUSPENDED BY THE SUPERINTENDENT PURSUANT TO THIS ARTI-
54 CLE.

55 (B) ALL CERTIFICATES OF APPOINTMENT HAVE BEEN TERMINATED BY THE TITLE
56 INSURANCE CORPORATIONS, AT WHICH TIME THE LICENSE BECOMES INACTIVE.

1 (C) IF AT THE EXPIRATION DATE OF THE LICENSE TERM, PROVIDED THE
2 LICENSE WAS IN GOOD STANDING DURING THE TERM, THE LICENSEE FAILS TO FILE
3 A RENEWAL APPLICATION.

4 (4) BEFORE THE RENEWAL OF ANY TITLE INSURANCE AGENT'S LICENSE SHALL BE
5 ISSUED, THE FOLLOWING REQUIREMENTS SHALL HAVE BEEN MET:

6 (A) THE LICENSEE SHALL HAVE FILED A COMPLETED RENEWAL APPLICATION IN
7 SUCH FORM OR FORMS AND SUPPLEMENTS THERETO AND CONTAINING SUCH INFORMA-
8 TION AS THE SUPERINTENDENT MAY PRESCRIBE.

9 (B) THE LICENSEE SHALL HAVE PAID SUCH FEES AS ARE PRESCRIBED IN THIS
10 SECTION.

11 (5) IF THE AGENT'S LICENSE IS DEEMED TO BE IN AN INACTIVE STATUS AT
12 THE TIME OF RENEWAL, A RENEWAL APPLICATION MAY BE COMPLETED AND FILED
13 WITH THE SUPERINTENDENT FOR THE ENSUING TERM OF A LICENSE; HOWEVER, IF A
14 CERTIFICATE OF APPOINTMENT IS NOT FILED ON THE AGENT'S BEHALF WITHIN THE
15 TERM OF THE RENEWAL, THE LICENSE WILL EXPIRE AND WILL NOT BE RENEWED AT
16 THE END OF THE LICENSE TERM. DURING THE TERM OF THE LICENSE FOR WHICH NO
17 CERTIFICATE OF APPOINTMENT WAS ON FILE, IT SHALL BE DEEMED TO BE INAC-
18 TIVE.

19 (6) IF AN APPLICATION FOR A RENEWAL LICENSE SHALL HAVE BEEN FILED WITH
20 THE SUPERINTENDENT BEFORE THE EXPIRATION OF SUCH LICENSE, THE LICENSE
21 SOUGHT TO BE RENEWED SHALL CONTINUE IN FULL FORCE AND EFFECT EITHER
22 UNTIL THE ISSUANCE BY THE SUPERINTENDENT OF THE RENEWAL LICENSE APPLIED
23 FOR OR UNTIL FIVE DAYS AFTER THE SUPERINTENDENT SHALL HAVE REFUSED TO
24 ISSUE SUCH RENEWAL LICENSE AND SHALL HAVE GIVEN NOTICE OF SUCH REFUSAL
25 TO THE APPLICANT AND TO EACH PROPOSED SUB-LICENSEE. BEFORE REFUSING TO
26 RENEW ANY SUCH LICENSE, THE SUPERINTENDENT SHALL NOTIFY THE APPLICANT OF
27 HIS OR HER INTENTION TO DO SO AND SHALL GIVE SUCH APPLICANT A HEARING.

28 (7)(A) THE SUPERINTENDENT MAY IN ISSUING A RENEWAL LICENSE DISPENSE
29 WITH THE REQUIREMENTS OF A VERIFIED APPLICATION BY AN INDIVIDUAL LICEN-
30 SEE WHO, BY REASON OF BEING ENGAGED IN ANY MILITARY SERVICE FOR THE
31 UNITED STATES, IS UNABLE TO MAKE PERSONAL APPLICATION FOR SUCH RENEWAL
32 LICENSE, UPON THE FILING OF AN APPLICATION ON BEHALF OF SUCH INDIVIDUAL,
33 IN SUCH FORM AS THE SUPERINTENDENT SHALL PRESCRIBE, BY SOME PERSON OR
34 PERSONS WHO IN HIS OR HER JUDGMENT HAVE KNOWLEDGE OF THE FACTS AND WHO
35 MAKE AFFIDAVIT SHOWING SUCH MILITARY SERVICE AND THE INABILITY OF SUCH
36 TITLE INSURANCE AGENT TO MAKE PERSONAL APPLICATION.

37 (B) AN INDIVIDUAL LICENSEE WHO IS UNABLE TO COMPLY WITH LICENSE
38 RENEWAL PROCEDURES DUE TO OTHER EXTENUATING CIRCUMSTANCES, SUCH AS A
39 LONG-TERM MEDICAL DISABILITY, MAY REQUEST A WAIVER OF SUCH PROCEDURES,
40 IN SUCH FORM AS THE SUPERINTENDENT SHALL PRESCRIBE. THE LICENSEE MAY
41 ALSO REQUEST A WAIVER OF ANY EXAMINATION REQUIREMENT OR ANY OTHER FINE
42 OR SANCTION IMPOSED FOR FAILURE TO COMPLY WITH RENEWAL PROCEDURES.

43 (8) IN ADDITION TO ANY EXAMINATION FEE REQUIRED BY SUBSECTION (E) OF
44 THIS SECTION, THERE SHALL BE PAID TO THE SUPERINTENDENT FOR EACH LICENSE
45 APPLICANT FOR THE TERM OF THE LICENSE, EXCEPT ANY LICENSE APPLICANT
46 UNDER SUBSECTION (K) OF THIS SECTION, THE SUM OF THREE HUNDRED DOLLARS
47 AND FOR EACH PROPOSED SUB-LICENSEE THE SUM OF FORTY DOLLARS FOR EACH
48 YEAR OR FRACTION OF A YEAR IN WHICH A LICENSE SHALL BE VALID. IF, HOWEV-
49 ER, THE LICENSE APPLICANT SHOULD WITHDRAW THE APPLICATION OR THE SUPER-
50 INTENDENT SHOULD DENY THE APPLICATION BEFORE THE LICENSE APPLIED FOR IS
51 ISSUED, THE SUPERINTENDENT MAY REFUND THE FEE PAID BY THE APPLICANT FOR
52 THE LICENSE APPLIED FOR WITH THE EXCEPTION OF ANY EXAMINATION FEES
53 REQUIRED PURSUANT TO SUBSECTION (E) OF THIS SECTION.

54 (9) AN APPLICATION FOR THE RENEWAL OF A LICENSE SHALL BE FILED WITH
55 THE SUPERINTENDENT NOT LESS THAN SIXTY DAYS PRIOR TO THE DATE THE

1 LICENSE EXPIRES OR THE APPLICANT SHALL BE SUBJECT TO A FURTHER FEE FOR
2 LATE FILING OF TEN DOLLARS.

3 (10) NO LICENSE FEE SHALL BE REQUIRED OF ANY PERSON WHO SERVED AS A
4 MEMBER OF THE ARMED FORCES OF THE UNITED STATES AT ANY TIME AND WHO
5 SHALL HAVE BEEN DISCHARGED THEREFROM, UNDER CONDITIONS OTHER THAN
6 DISHONORABLE, IN A CURRENT LICENSING PERIOD, FOR THE DURATION OF SUCH
7 PERIOD.

8 (11) EXCEPT WHERE A BUSINESS ENTITY LICENSED AS A TITLE INSURANCE
9 AGENT IS APPLYING TO ADD A SUB-LICENSEE, OR THE DATE OF THE EXPIRATION
10 OF THE LICENSE IS CHANGED, OR A CHANGE IS APPLIED FOR PURSUANT TO
11 SUBSECTION (L) OF THIS SECTION, THERE SHALL BE NO FEE REQUIRED FOR THE
12 ISSUANCE OF AN AMENDED LICENSE.

13 (12) THE LICENSE SHALL CONTAIN THE LICENSEE'S NAME, ADDRESS, PERSONAL
14 IDENTIFICATION NUMBER, THE DATE OF ISSUANCE, THE EXPIRATION DATE AND ANY
15 OTHER INFORMATION THE SUPERINTENDENT DEEMS NECESSARY.

16 (K) ANY LICENSEE MAY AT ANY TIME WHILE SUCH LICENSE IS IN FORCE APPLY
17 TO THE SUPERINTENDENT FOR AN ADDITIONAL LICENSE OR LICENSES AUTHORIZING
18 SUCH LICENSEE, AND THE SUB-LICENSEES NAMED IN SUCH EXISTING LICENSE, TO
19 ACT AS TITLE INSURANCE AGENT FOR ONE OR MORE ADDITIONAL TITLE INSURANCE
20 CORPORATIONS. THE SUPERINTENDENT MAY, AFTER THE REQUIREMENTS OF THIS
21 CHAPTER HAVE BEEN COMPLIED WITH AND AFTER A CERTIFICATE OF APPOINTMENT
22 HAS BEEN FILED WITH THE SUPERINTENDENT BY EACH SUCH ADDITIONAL TITLE
23 INSURANCE CORPORATION, AS PROVIDED IN SECTION TWO THOUSAND ONE HUNDRED
24 FIFTY-EIGHT OF THIS ARTICLE, ISSUE SUCH ADDITIONAL LICENSE OR LICENSES.
25 THERE SHALL BE A FEE OF FIFTEEN DOLLARS PAID TO THE SUPERINTENDENT FOR
26 THE ISSUANCE OF EACH ADDITIONAL LICENSE PURSUANT TO THIS SUBSECTION.

27 (L) WITHIN SIXTY DAYS OF ANY CHANGE IN THE IDENTITY OF ANY OF ITS
28 SUB-LICENSEES, OR CHANGE IN ANY PERSON HAVING A FINANCIAL INTEREST IN
29 THE TITLE INSURANCE AGENT, THE TITLE INSURANCE AGENT SHALL APPLY TO THE
30 SUPERINTENDENT FOR AN AMENDMENT TO THE LICENSE ON A FORM PRESCRIBED BY
31 THE SUPERINTENDENT CONTAINING ANY INFORMATION THE SUPERINTENDENT DEEMS
32 NECESSARY. THERE SHALL BE PAID TO THE SUPERINTENDENT FOR EACH SUCH
33 APPLICATION THE SUM OF TEN DOLLARS.

34 (M) THE SUPERINTENDENT MAY ISSUE A REPLACEMENT FOR A CURRENTLY IN
35 FORCE LICENSE WHICH HAS BEEN LOST OR DESTROYED. BEFORE SUCH REPLACEMENT
36 LICENSE SHALL BE ISSUED, THERE SHALL BE ON FILE IN THE OFFICE OF THE
37 SUPERINTENDENT A WRITTEN APPLICATION FOR SUCH REPLACEMENT LICENSE,
38 AFFIRMING UNDER PENALTY OF PERJURY THAT THE ORIGINAL LICENSE HAS BEEN
39 LOST OR DESTROYED, TOGETHER WITH A FEE OF FIFTEEN DOLLARS.

40 S 2154. TEMPORARY LICENSE IN CASE OF DEATH, SERVICE IN ARMED FORCES OR
41 DISABILITY.

42 (A) THE SUPERINTENDENT MAY ISSUE A TEMPORARY TITLE INSURANCE AGENT'S
43 LICENSE, WITHOUT REQUIRING THE APPLICANT TO PASS A WRITTEN EXAMINATION,
44 IN THE CASE OF A LICENSE ISSUED PURSUANT TO PARAGRAPH TWO OF THIS
45 SUBSECTION, IN THE FOLLOWING CASES:

46 (1) IN THE CASE OF THE DEATH OF A PERSON WHO AT THE TIME OF HIS DEATH
47 WAS A LICENSED TITLE INSURANCE AGENT UNDER SUBSECTION (A) OF SECTION TWO
48 THOUSAND ONE HUNDRED FIFTY-THREE OF THIS ARTICLE:

49 (A) TO THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF SUCH DECEASED
50 AGENT;

51 (B) TO A SURVIVING NEXT OF KIN OF SUCH DECEASED AGENT, WHERE NO ADMIN-
52 ISTRATOR OF HIS OR HER ESTATE HAS BEEN APPOINTED AND NO EXECUTOR HAS
53 QUALIFIED UNDER HIS OR HER DULY PROBATED WILL;

54 (C) TO THE SURVIVING MEMBER OR MEMBERS OF A FIRM OR ASSOCIATION, WHICH
55 AT THE TIME OF THE DEATH OF A MEMBER WAS SUCH A LICENSED TITLE INSURANCE
56 AGENT; OR

1 (D) TO AN OFFICER OR DIRECTOR OF A CORPORATION UPON THE DEATH OF THE
2 ONLY OFFICER OR DIRECTOR WHO WAS QUALIFIED AS A SUB-LICENSEE OR TO THE
3 EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF SUCH DECEASED OFFICER OR
4 DIRECTOR;

5 (2) TO ANY PERSON WHO MAY BE DESIGNATED BY A PERSON LICENSED PURSUANT
6 TO THIS ARTICLE AS A TITLE INSURANCE AGENT, AND WHO IS ABSENT BECAUSE OF
7 SERVICE IN ANY BRANCH OF THE ARMED FORCES OF THE UNITED STATES, INCLUD-
8 ING A PARTNERSHIP OR CORPORATION WHICH IS LICENSED PURSUANT TO THIS
9 ARTICLE AS A TITLE INSURANCE AGENT, IN A CASE WHERE THE SUB-LICENSEE OR
10 ALL SUB-LICENSEES, IF MORE THAN ONE, NAMED IN THE LICENSE OR LICENSES
11 ISSUED TO SUCH PARTNERSHIP OR CORPORATION IS OR ARE ABSENT BECAUSE OF
12 SERVICE IN ANY BRANCH OF THE ARMED FORCES OF THE UNITED STATES; AND

13 (3) TO THE NEXT OF KIN OF A PERSON WHO HAS BECOME TOTALLY DISABLED AND
14 PREVENTED FROM PURSUING ANY OF THE DUTIES OF HIS OR HER OCCUPATION, AND
15 WHO AT THE COMMENCEMENT OF HIS OR HER DISABILITY WAS A LICENSED TITLE
16 INSURANCE AGENT UNDER SUBSECTION (A) OF SECTION TWO THOUSAND ONE HUNDRED
17 FIFTY-THREE OF THIS ARTICLE.

18 (B) (1) BEFORE ANY SUCH LICENSE OR LICENSES SHALL BE ISSUED, THERE
19 SHALL BE FILED IN THE OFFICE OF THE SUPERINTENDENT A WRITTEN APPLICATION
20 BY THE PERSON OR PERSONS DESIRING SUCH LICENSE OR LICENSES, TOGETHER
21 WITH A WRITTEN DESIGNATION OF SUCH PERSON OR PERSONS, IN THE CASE OF A
22 LICENSE ISSUED PURSUANT TO PARAGRAPH TWO OF SUBSECTION (A) OF THIS
23 SECTION, IN SUCH FORM OR FORMS AND SUPPLEMENTS THERETO, AND CONTAINING
24 SUCH INFORMATION, AS THE SUPERINTENDENT PRESCRIBES.

25 (2) NO FEE SHALL BE CHARGED FOR ANY SUCH LICENSE OR ANY RENEWAL THERE-
26 OF, EXCEPT THAT FEES FOR THE RENEWALS OF ANY LICENSE ISSUED PURSUANT TO
27 PARAGRAPH TWO OF SUBSECTION (A) OF THIS SECTION SHALL BE ONE-HALF OF THE
28 FEES OTHERWISE REQUIRED BY THIS CHAPTER FOR SUCH LICENSE.

29 (C) SUCH LICENSE OR LICENSES SHALL AUTHORIZE THE PERSON OR PERSONS
30 NAMED THEREIN TO RENEW THE BUSINESS OF THE DECEASED, ABSENT OR DISABLED
31 AGENT, AS THE CASE MAY BE, OR OF THE FIRM OR, IN THE CASE OF A LICENSE
32 ISSUED PURSUANT TO PARAGRAPH ONE OR THREE OF SUBSECTION (A) OF THIS
33 SECTION, THE ASSOCIATION WHOSE BUSINESS IS BEING CONTINUED THEREUNDER,
34 EACH SUCH AGENT, FIRM OR ASSOCIATION BEING REFERRED TO IN THIS SECTION
35 AS "ORIGINAL LICENSEE", EXPIRING DURING THE PERIOD IN WHICH SUCH TEMPO-
36 RARY LICENSE OR LICENSES ARE IN FORCE, TO COLLECT PREMIUMS DUE AND PAYA-
37 BLE TO THE ORIGINAL LICENSEE OR, IN THE CASE OF A LICENSE ISSUED PURSU-
38 ANT TO PARAGRAPH ONE OF SUBSECTION (A) OF THIS SECTION, TO HIS OR HER
39 ESTATE, AND TO PERFORM SUCH OTHER ACTS AS A TITLE INSURANCE AGENT, AS
40 THE CASE MAY BE, AS ARE INCIDENTAL TO THE CONTINUANCE OF THE TITLE
41 INSURANCE BUSINESS OF SUCH ORIGINAL LICENSEE.

42 (D) A PERSON ELIGIBLE FOR SUCH A TEMPORARY TITLE INSURANCE AGENT'S
43 LICENSE MAY BE LICENSED ONLY AS A TITLE INSURANCE AGENT OF THE TITLE
44 INSURANCE CORPORATION OR CORPORATIONS WHICH SUCH ORIGINAL LICENSEE WAS
45 LICENSED TO REPRESENT AT THE TIME OF SUCH DEATH, ENTRANCE UPON MILITARY
46 OR NAVAL DUTY OR DISABILITY.

47 (E) (1) IN THE CASE OF A LICENSE OR LICENSES ISSUED PURSUANT TO PARA-
48 GRAPH ONE OF SUBSECTION (A) OF THIS SECTION, THE LICENSE OR LICENSES MAY
49 BE ISSUED FOR A TERM NOT EXCEEDING NINETY DAYS FROM THE DEATH OF SUCH
50 DECEASED, AND THE SUPERINTENDENT MAY IN HIS OR HER DISCRETION RENEW SUCH
51 LICENSE OR LICENSES FOR AN ADDITIONAL TERM OR TERMS OF NINETY DAYS EACH,
52 NOT EXCEEDING IN THE AGGREGATE FIFTEEN MONTHS.

53 (2) THE SUPERINTENDENT MAY ISSUE RENEWAL LICENSES FOR AN ADDITIONAL
54 TERM OR TERMS OF NINETY DAYS EACH EXCEEDING THE AGGREGATE PERIOD OF
55 FIFTEEN MONTHS WHEN IN HIS OR HER JUDGMENT IT WILL BEST SERVE THE INTER-
56 ESTS OF ANY PERSON SERVING IN THE ARMED FORCES OF THE UNITED STATES.

1 (3) A LICENSE ISSUED TO THE NEXT OF KIN SHALL NOT BE RENEWED IF,
2 BEFORE THE EXPIRATION OF ITS TERM, AN ADMINISTRATOR OR EXECUTOR OF THE
3 DECEASED SHALL HAVE APPLIED FOR AND QUALIFIED FOR SUCH A LICENSE.

4 (4) EXCEPT AS PROVIDED IN SUBSECTION (H) OF THIS SECTION, NO PERSON OR
5 PERSONS SO LICENSED SHALL, BY VIRTUE OF SUCH LICENSE, BE AUTHORIZED TO
6 SOLICIT, NEGOTIATE OR SELL NEW TITLE INSURANCE.

7 (F) (1) IN THE CASE OF A LICENSE OR LICENSES ISSUED PURSUANT TO PARA-
8 GRAPH TWO OF SUBSECTION (A) OF THIS SECTION, THE LICENSE OR LICENSES MAY
9 BE ISSUED FOR A TERM NOT EXCEEDING SIX MONTHS, AND THE SUPERINTENDENT
10 MAY IN HIS OR HER DISCRETION RENEW SUCH LICENSE OR LICENSES FOR AN ADDI-
11 TIONAL TERM OR TERMS OF SIX MONTHS EACH.

12 (2) THE TERM OF ANY SUCH LICENSE OR RENEWAL SHALL IN NO EVENT EXTEND
13 BEYOND SIXTY DAYS AFTER THE FINAL DISCHARGE OF SUCH ABSENT TITLE INSUR-
14 ANCE AGENT FROM MILITARY OR NAVAL DUTY, AND EACH SUCH LICENSE OR RENEWAL
15 SHALL EXPIRE ON SUCH DAY AS IF THAT WERE THE DAY SPECIFIED THEREIN FOR
16 THE EXPIRATION THEREOF.

17 (3) EXCEPT AS PROVIDED IN SUBSECTION (H) OF THIS SECTION, NO PERSON SO
18 LICENSED SHALL SOLICIT NEW BUSINESS UNDER SUCH LICENSE.

19 (G)(1) IN THE CASE OF A LICENSE OR LICENSES ISSUED PURSUANT TO PARA-
20 GRAPH THREE OF SUBSECTION (A) OF THIS SECTION, THE LICENSE OR LICENSES
21 MAY BE ISSUED FOR A TERM NOT EXCEEDING NINETY DAYS FROM THE DISABILITY
22 OF SUCH PERSON, AND THE SUPERINTENDENT MAY IN HIS OR HER DISCRETION
23 RENEW SUCH LICENSE OR LICENSES FOR AN ADDITIONAL TERM OR TERMS OF NINETY
24 DAYS EACH, NOT EXCEEDING IN THE AGGREGATE FIFTEEN MONTHS.

25 (2) EXCEPT AS PROVIDED IN SUBSECTION (H) OF THIS SECTION, NO PERSON OR
26 PERSONS SO LICENSED SHALL, BY VIRTUE OF SUCH LICENSE, BE AUTHORIZED TO
27 SOLICIT, NEGOTIATE OR SELL NEW TITLE INSURANCE.

28 (H) A TITLE INSURANCE CORPORATION FOR WHOM A DECEASED PERSON, A DISA-
29 BLED PERSON OR A PERSON ABSENT BECAUSE OF SERVICE IN ANY BRANCH OF THE
30 ARMED FORCES OF THE UNITED STATES HAD BEEN ACTING AS A LICENSED TITLE
31 INSURANCE AGENT OR ITS SUB-LICENSEE, MAY GIVE A PERSON OR PERSONS ISSUED
32 A TEMPORARY LICENSE PURSUANT TO THIS SECTION WRITTEN APPROVAL TO SOLIC-
33 IT, NEGOTIATE AND SELL NEW TITLE INSURANCE AND SUCH PERSON OR PERSONS
34 MAY THEREAFTER DO SO UNDER SUCH TEMPORARY LICENSE, INCLUDING ANY RENEWAL
35 OR EXTENSION THEREOF, UNLESS AND UNTIL SUCH APPROVAL IS REVOKED IN WRIT-
36 ING BY THE TITLE INSURANCE CORPORATION.

37 S 2155. REVOCATION OR SUSPENSION OF LICENSE OF TITLE INSURANCE AGENT
38 OR CERTIFICATE OF APPOINTMENT OF A SUB-LICENSEE OR AN ATTORNEY ACTING AS
39 A TITLE INSURANCE AGENT. (A) THE SUPERINTENDENT MAY REFUSE TO RENEW,
40 REVOKE, OR MAY SUSPEND FOR A PERIOD THE SUPERINTENDENT DETERMINES THE
41 LICENSE OF ANY TITLE INSURANCE AGENT, IF, AFTER NOTICE AND HEARING, THE
42 SUPERINTENDENT DETERMINES THAT THE LICENSEE OR ANY SUB-LICENSEE HAS:

43 (1) VIOLATED ANY INSURANCE LAW, OR VIOLATED ANY REGULATION, SUBPOENA
44 OR ORDER OF THE SUPERINTENDENT OF INSURANCE OR OF ANOTHER STATE'S INSUR-
45 ANCE COMMISSIONER, OR HAS VIOLATED ANY LAW IN THE COURSE OF HIS OR HER
46 DEALINGS IN SUCH CAPACITY;

47 (2) PROVIDED MATERIALLY INCORRECT, MATERIALLY MISLEADING, MATERIALLY
48 INCOMPLETE OR MATERIALLY UNTRUE INFORMATION IN THE LICENSE APPLICATION;

49 (3) OBTAINED OR ATTEMPTED TO OBTAIN A LICENSE THROUGH MISREPRESENTA-
50 TION OR FRAUD;

51 (4)(A) USED FRAUDULENT, COERCIVE OR DISHONEST PRACTICES;

52 (B) DEMONSTRATED INCOMPETENCE;

53 (C) DEMONSTRATED UNTRUSTWORTHINESS; OR

54 (D) DEMONSTRATED FINANCIAL IRRESPONSIBILITY IN THE CONDUCT OF BUSINESS
55 IN THIS STATE OR ELSEWHERE;

1 (5) IMPROPERLY WITHHELD, MISAPPROPRIATED OR CONVERTED ANY MONIES OR
2 PROPERTIES RECEIVED IN THE COURSE OF BUSINESS IN THIS STATE OR ELSE-
3 WHERE;

4 (6) INTENTIONALLY MISREPRESENTED THE TERMS OF AN ACTUAL OR PROPOSED
5 TITLE INSURANCE CONTRACT OR APPLICATION FOR TITLE INSURANCE;

6 (7) HAS BEEN CONVICTED OF A FELONY;

7 (8) ADMITTED OR BEEN FOUND TO HAVE COMMITTED ANY INSURANCE UNFAIR
8 TRADE PRACTICE OR FRAUD;

9 (9) HAD A TITLE INSURANCE AGENT LICENSE, OR AN INSURANCE AGENT
10 LICENSE, OR ITS EQUIVALENT, DENIED, SUSPENDED OR REVOKED IN ANY OTHER
11 STATE, PROVINCE, DISTRICT OR TERRITORY;

12 (10) FORGED ANOTHER'S NAME TO AN APPLICATION FOR TITLE INSURANCE OR
13 FOR ANY OTHER INSURANCE OR TO ANY DOCUMENT RELATED TO A TITLE INSURANCE
14 TRANSACTION OR TO ANY OTHER INSURANCE TRANSACTION;

15 (11) IMPROPERLY USED NOTES OR ANY OTHER REFERENCE MATERIAL TO COMPLETE
16 AN EXAMINATION FOR AN INSURANCE LICENSE;

17 (12) FAILED TO COMPLY WITH AN ADMINISTRATIVE OR COURT ORDER IMPOSING A
18 CHILD SUPPORT OBLIGATION; OR

19 (13) FAILED TO PAY STATE INCOME TAX OR COMPLY WITH ANY ADMINISTRATIVE
20 OR COURT ORDER DIRECTING PAYMENT OF STATE INCOME TAX.

21 (B) BEFORE REVOKING OR SUSPENDING THE LICENSE OF ANY TITLE INSURANCE
22 AGENT PURSUANT TO THE PROVISIONS OF THIS ARTICLE, THE SUPERINTENDENT
23 SHALL, EXCEPT WHEN PROCEEDING PURSUANT TO SUBSECTION (F) OF THIS
24 SECTION, GIVE NOTICE TO THE LICENSEE AND TO EVERY SUB-LICENSEE AND SHALL
25 HOLD, OR CAUSE TO BE HELD, A HEARING NOT LESS THAN TEN DAYS AFTER THE
26 GIVING OF SUCH NOTICE.

27 (C) IF A TITLE INSURANCE AGENT'S LICENSE PURSUANT TO THE PROVISIONS OF
28 THIS ARTICLE IS REVOKED OR SUSPENDED BY THE SUPERINTENDENT, HE OR SHE
29 SHALL FORTHWITH GIVE NOTICE TO THE LICENSEE.

30 (D) THE REVOCATION OR SUSPENSION OF ANY TITLE INSURANCE AGENT'S
31 LICENSE PURSUANT TO THE PROVISIONS OF THIS ARTICLE SHALL TERMINATE
32 FORTHWITH SUCH TITLE INSURANCE AGENT'S LICENSE AND THE AUTHORITY
33 CONFERRED THEREBY UPON ALL SUB-LICENSEES AND ATTORNEYS.

34 (E)(1) NO INDIVIDUAL OR BUSINESS ENTITY, WHOSE LICENSE AS A TITLE
35 INSURANCE AGENT SUBJECT TO SUBSECTION (A) OF THIS SECTION HAS BEEN
36 REVOKED, AND NO BUSINESS ENTITY OF WHICH SUCH INDIVIDUAL IS A MEMBER,
37 OFFICER OR DIRECTOR, SHALL BE ENTITLED TO OBTAIN ANY LICENSE UNDER THE
38 PROVISIONS OF THIS CHAPTER FOR A PERIOD OF ONE YEAR AFTER SUCH REVOCATION,
39 OR, IF SUCH REVOCATION BE JUDICIALLY REVIEWED, FOR ONE YEAR AFTER
40 THE FINAL DETERMINATION THEREOF AFFIRMING THE ACTION OF THE SUPERINTENDENT
41 IN REVOKING SUCH LICENSE.

42 (2) IF ANY SUCH LICENSE HELD BY A BUSINESS ENTITY BE REVOKED, NO
43 MEMBER, OFFICER OR DIRECTOR OF SUCH BUSINESS ENTITY SHALL BE ENTITLED TO
44 OBTAIN ANY LICENSE, OR TO BE NAMED AS A SUB-LICENSEE IN ANY SUCH
45 LICENSE, FOR THE SAME PERIOD OF TIME, UNLESS THE SUPERINTENDENT DETERMINES,
46 AFTER NOTICE AND HEARING, THAT SUCH MEMBER, OFFICER OR DIRECTOR
47 WAS NOT PERSONALLY AT FAULT IN THE MATTER ON ACCOUNT OF WHICH SUCH
48 LICENSE WAS REVOKED.

49 (F) IF ANY LICENSED TITLE INSURANCE AGENT OR ANY PERSON AGGRIEVED
50 SHALL FILE WITH THE SUPERINTENDENT A VERIFIED COMPLAINT SETTING FORTH
51 FACTS TENDING TO SHOW SUFFICIENT GROUND FOR THE REVOCATION OR SUSPENSION
52 OF ANY TITLE INSURANCE AGENT'S LICENSE, THE SUPERINTENDENT SHALL, AFTER
53 NOTICE AND HEARING, DETERMINE WHETHER SUCH LICENSE SHALL BE SUSPENDED OR
54 REVOKED.

55 (G) THE SUPERINTENDENT SHALL RETAIN THE AUTHORITY TO ENFORCE THE
56 PROVISIONS OF AND IMPOSE ANY PENALTY OR REMEDY AUTHORIZED BY THIS CHAP-

1 TER AGAINST ANY INDIVIDUAL OR BUSINESS ENTITY WHO IS UNDER INVESTIGATION
2 FOR OR CHARGED WITH A VIOLATION OF THIS CHAPTER, EVEN IF THE INDIVID-
3 UAL'S OR BUSINESS ENTITY'S LICENSE HAS BEEN SURRENDERED, OR HAS EXPIRED
4 OR HAS LAPSED BY OPERATION OF LAW.

5 (H) A LICENSEE SUBJECT TO THIS ARTICLE SHALL REPORT TO THE SUPERINTEN-
6 DENT ANY ADMINISTRATIVE ACTION TAKEN AGAINST THE LICENSEE IN ANOTHER
7 JURISDICTION OR BY ANOTHER GOVERNMENTAL AGENCY IN THIS STATE WITHIN
8 THIRTY DAYS OF THE FINAL DISPOSITION OF THE MATTER. THIS REPORT SHALL
9 INCLUDE A COPY OF THE ORDER, CONSENT TO ORDER OR OTHER RELEVANT LEGAL
10 DOCUMENTS.

11 (I) WITHIN THIRTY DAYS OF THE INITIAL PRETRIAL HEARING DATE, A LICEN-
12 SEE SUBJECT TO THIS ARTICLE SHALL REPORT TO THE SUPERINTENDENT ANY CRIM-
13 INAL PROSECUTION OF THE LICENSEE TAKEN IN ANY JURISDICTION. THE REPORT
14 SHALL INCLUDE A COPY OF THE INITIAL COMPLAINT FILED, THE ORDER RESULTING
15 FROM THE HEARING AND ANY OTHER RELEVANT LEGAL DOCUMENTS.

16 (J)(1) THE SUPERINTENDENT MAY REVOKE OR MAY SUSPEND FOR A PERIOD THE
17 SUPERINTENDENT DETERMINES THE CERTIFICATE OF APPOINTMENT OF ANY SUB-LI-
18 CENSEE OR ATTORNEY ISSUED PURSUANT TO SECTION TWO THOUSAND ONE HUNDRED
19 FIFTY-EIGHT OF THIS ARTICLE, IF, AFTER NOTICE AND HEARING, THE SUPER-
20 INTENDENT DETERMINES THAT SUCH SUB-LICENSEE OR ATTORNEY HAS COMMITTED
21 ANY ACT SPECIFIED IN PARAGRAPHS ONE THROUGH THIRTEEN OF SUBSECTION (A)
22 OF THIS SECTION OR IF SUCH ATTORNEY'S LICENSE TO PRACTICE LAW IN THIS
23 STATE IS SUSPENDED OR REVOKED.

24 (2) NO SUB-LICENSEE OR ATTORNEY WHOSE CERTIFICATE OF APPOINTMENT HAS
25 BEEN REVOKED SHALL BE ENTITLED TO OBTAIN A CERTIFICATE OF APPOINTMENT OR
26 LICENSE UNDER THE PROVISIONS OF THIS ARTICLE FOR ONE YEAR AFTER SUCH
27 REVOCATION, OR, IF SUCH REVOCATION BE JUDICIALLY REVIEWED, FOR ONE YEAR
28 AFTER THE FINAL DETERMINATION THEREOF AFFIRMING THE ACTION OF THE SUPER-
29 INTENDENT IN REVOKING SUCH CERTIFICATE.

30 (3) THE IMPOSITION OF ANY PENALTY UNDER THIS ARTICLE AGAINST AN ATTOR-
31 NEY SHALL NOT LIMIT THE AUTHORITY OF ANY COURT TO IMPOSE ANY DISCIPLINE
32 AGAINST THE ATTORNEY PURSUANT TO ANY OTHER LAW OR RULE.

33 S 2156. PENALTIES FOR VIOLATIONS. (A) THE SUPERINTENDENT, IN LIEU OF
34 REVOKING OR SUSPENDING THE LICENSE OF A LICENSEE OR A CERTIFICATE OF
35 APPOINTMENT OF A SUB-LICENSEE OR AN ATTORNEY IN ACCORDANCE WITH THE
36 PROVISIONS OF THIS ARTICLE, MAY IN ANY ONE PROCEEDING BY ORDER, REQUIRE
37 THE LICENSEE, SUB-LICENSEE OR ATTORNEY TO PAY TO THE PEOPLE OF THIS
38 STATE A PENALTY IN A SUM NOT EXCEEDING FIVE HUNDRED DOLLARS FOR EACH
39 OFFENSE, AND A PENALTY IN A SUM NOT EXCEEDING TWENTY-FIVE HUNDRED
40 DOLLARS IN THE AGGREGATE FOR ALL OFFENSES.

41 (B) UPON THE FAILURE OF SUCH A LICENSEE, SUB-LICENSEE OR ATTORNEY TO
42 PAY SUCH PENALTY ORDERED PURSUANT TO SUBSECTION (A) OF THIS SECTION
43 WITHIN TWENTY DAYS AFTER THE MAILING OF SUCH ORDER, POSTAGE PREPAID,
44 REGISTERED, AND ADDRESSED TO THE LAST KNOWN PLACE OF BUSINESS OF SUCH
45 LICENSEE, SUB-LICENSEE OR ATTORNEY, UNLESS SUCH ORDER IS STAYED BY AN
46 ORDER OF A COURT OF COMPETENT JURISDICTION, THE SUPERINTENDENT MAY
47 REVOKE THE LICENSE OF SUCH LICENSEE OR THE CERTIFICATE OF APPOINTMENT OF
48 SUCH SUB-LICENSEE OR ATTORNEY ISSUED UNDER THIS ARTICLE OR MAY SUSPEND
49 THE SAME FOR SUCH PERIOD AS HE OR SHE DETERMINES.

50 (C) IN ADDITION TO OR IN LIEU OF REVOKING OR SUSPENDING THE LICENSE OF
51 A LICENSEE OR A CERTIFICATE OF APPOINTMENT OF A SUB-LICENSEE OR AN
52 ATTORNEY IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE, AND IN ADDI-
53 TION TO OR IN LIEU OF ANY PENALTY IMPOSED PURSUANT TO SUBSECTION (A) OF
54 THIS SECTION, THE SUPERINTENDENT MAY REQUIRE A LICENSEE, SUB-LICENSEE OR
55 ATTORNEY TO PAY THE PEOPLE OF THIS STATE A PENALTY IN A SUM EQUAL TO THE
56 TITLE INSURANCE PREMIUM OR OTHER COMPENSATION RECEIVED BY THE PERSON

1 FOUND TO HAVE VIOLATED SECTION TWO THOUSAND ONE HUNDRED FIFTY-FIVE OF
2 THIS ARTICLE, IN CONNECTION WITH ANY TRANSACTION WHICH THE SUPERINTEN-
3 DENT FINDS TO HAVE CONSTITUTED A GROUND FOR SUCH A VIOLATION, EXCEPT
4 THAT SUCH SUM SHALL NOT INCLUDE ANY PORTION OF A PREMIUM DUE TO A TITLE
5 INSURANCE CORPORATION.

6 (D) NOTHING IN THIS ARTICLE SHALL LIMIT THE AUTHORITY OF THE SUPER-
7 INTENDENT TO MAINTAIN AN ACTION FOR THE PURPOSE OF OBTAINING AN INJUNC-
8 TION PURSUANT TO SECTION THREE HUNDRED TWENTY-SEVEN OF THIS CHAPTER.

9 S 2157. REVOKED LICENSEES. (A)(1) NO PERSON SUBJECT TO THE PROVISIONS
10 OF THIS CHAPTER WHOSE LICENSE UNDER THIS ARTICLE HAS BEEN REVOKED, OR
11 WHOSE LICENSE TO ENGAGE IN THE BUSINESS OF INSURANCE IN ANY CAPACITY HAS
12 BEEN REVOKED BY ANY OTHER STATE OR TERRITORY OF THE UNITED STATES SHALL
13 BECOME EMPLOYED OR APPOINTED BY A TITLE INSURANCE AGENT AS AN OFFICER,
14 DIRECTOR, MANAGER, CONTROLLING PERSON OR FOR OTHER SERVICES, WITHOUT THE
15 PRIOR WRITTEN APPROVAL OF THE SUPERINTENDENT, UNLESS SUCH SERVICES ARE
16 FOR MAINTENANCE OR ARE CLERICAL OR MINISTERIAL IN NATURE.

17 (2) NO PERSON SUBJECT TO THE PROVISIONS OF THIS CHAPTER SHALL KNOWING-
18 LY EMPLOY OR APPOINT ANY PERSON WHOSE LICENSE ISSUED UNDER THIS ARTICLE
19 HAS BEEN REVOKED, OR WHOSE LICENSE TO ENGAGE IN THE BUSINESS OF INSUR-
20 ANCE IN ANY CAPACITY HAS BEEN REVOKED BY ANY OTHER STATE OR TERRITORY OF
21 THE UNITED STATES, AS AN OFFICER, DIRECTOR, MANAGER, CONTROLLING PERSON
22 OR FOR OTHER SERVICES, WITHOUT THE PRIOR WRITTEN APPROVAL OF THE SUPER-
23 INTENDENT, UNLESS SUCH SERVICES ARE FOR MAINTENANCE OR ARE CLERICAL OR
24 MINISTERIAL IN NATURE.

25 (3) NO CORPORATION OR PARTNERSHIP SUBJECT TO THE PROVISIONS OF THIS
26 CHAPTER SHALL KNOWINGLY PERMIT ANY PERSON WHOSE LICENSE ISSUED UNDER
27 THIS ARTICLE HAS BEEN REVOKED, OR WHOSE LICENSE TO ENGAGE IN THE BUSI-
28 NESS OF INSURANCE IN ANY CAPACITY HAS BEEN REVOKED BY ANY OTHER STATE,
29 OR TERRITORY OF THE UNITED STATES, TO BE A SHAREHOLDER OR HAVE AN INTER-
30 EST IN SUCH CORPORATION OR PARTNERSHIP, NOR SHALL ANY SUCH PERSON BECOME
31 A SHAREHOLDER OR PARTNER IN SUCH CORPORATION OR PARTNERSHIP, WITHOUT THE
32 PRIOR WRITTEN APPROVAL OF THE SUPERINTENDENT.

33 (4) FOR THE PURPOSE OF THIS SECTION A "CONTROLLING PERSON" IS ANY
34 PERSON WHO OR WHICH, DIRECTLY OR INDIRECTLY, HAS THE POWER TO DIRECT OR
35 CAUSE TO BE DIRECTED THE MANAGEMENT, CONTROL OR ACTIVITIES OF SUCH
36 LICENSEE.

37 (B) THE SUPERINTENDENT MAY APPROVE THE EMPLOYMENT, APPOINTMENT OR
38 PARTICIPATION OF ANY SUCH PERSON WHOSE LICENSE HAS BEEN REVOKED:

39 (1) IF HE OR SHE DETERMINES THAT THE DUTIES AND RESPONSIBILITIES OF
40 SUCH PERSON ARE SUBJECT TO APPROPRIATE SUPERVISION AND THAT SUCH DUTIES
41 AND RESPONSIBILITIES WILL NOT HAVE AN ADVERSE EFFECT UPON THE PUBLIC,
42 OTHER LICENSEES, OR THE LICENSEE PROPOSING EMPLOYMENT OR APPOINTMENT OF
43 SUCH PERSON; OR

44 (2) IF SUCH PERSON HAS FILED AN APPLICATION FOR RELICENSING PURSUANT
45 TO THIS ARTICLE AND THE APPLICATION FOR RELICENSING HAS NOT BEEN
46 APPROVED OR DENIED WITHIN ONE HUNDRED TWENTY DAYS FOLLOWING THE FILING
47 THEREOF, UNLESS THE SUPERINTENDENT DETERMINES WITHIN THE SAID TIME THAT
48 EMPLOYMENT OR APPOINTMENT OF SUCH PERSON BY A LICENSEE IN THE CONDUCT OF
49 AN INSURANCE BUSINESS WOULD NOT BE IN THE PUBLIC INTEREST.

50 (C) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO THE OWNERSHIP OF
51 SHARES OF ANY CORPORATION LICENSED PURSUANT TO THIS CHAPTER IF THE
52 SHARES OF SUCH CORPORATION ARE PUBLICLY HELD AND TRADED IN THE
53 OVER-THE-COUNTER MARKET OR UPON ANY NATIONAL OR REGIONAL SECURITIES
54 EXCHANGE.

1 (D) THE PROVISIONS OF THIS SECTION SHALL APPLY TO RELATIONSHIPS
2 CREATED OR PROPOSED ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION, AS
3 WELL AS TO ANY PERSON WHOSE LICENSE IS REVOKED ON OR AFTER SUCH DATE.

4 S 2158. CERTIFICATE OF APPOINTMENT AND NOTICE OF TERMINATION OF A
5 TITLE INSURANCE AGENT, SUB-LICENSEE OR ATTORNEY. (A) EVERY TITLE INSUR-
6 ANCE CORPORATION DOING BUSINESS IN THIS STATE SHALL FILE A CERTIFICATE
7 OF APPOINTMENT IN SUCH FORM AS THE SUPERINTENDENT MAY PRESCRIBE IN ORDER
8 TO APPOINT TITLE INSURANCE AGENTS OR ATTORNEYS LICENSED TO PRACTICE LAW
9 IN THIS STATE TO ACT AS TITLE INSURANCE AGENTS ON BEHALF OF SUCH TITLE
10 INSURANCE CORPORATIONS.

11 (B)(1) TO APPOINT A TITLE INSURANCE AGENT, THE APPOINTING TITLE INSUR-
12 ANCE CORPORATION SHALL FILE, IN A FORMAT APPROVED BY THE SUPERINTENDENT,
13 A CERTIFICATE OF APPOINTMENT STATING THAT IT HAS MADE SUCH INVESTIGATION
14 OF THE PROSPECTIVE TITLE INSURANCE AGENT AS IT DEEMED APPROPRIATE AND
15 THAT SUCH TITLE INSURANCE CORPORATION APPOINTS SUCH PROSPECTIVE LICENSEE
16 SO NAMED TO ACT AS ITS AGENT IF A LICENSE AS A TITLE INSURANCE AGENT IS
17 ISSUED BY THE SUPERINTENDENT TO THE PROSPECTIVE LICENSEE. SUCH CERTIF-
18 ICATE SHALL BE SUBSCRIBED BY AN OFFICER OF THE TITLE INSURANCE CORPO-
19 RATION AND AFFIRMED BY SUCH OFFICER AS TRUE UNDER PENALTY OF PERJURY.

20 (2) TO APPOINT AN ATTORNEY LICENSED TO PRACTICE LAW IN THIS STATE TO
21 ACT AS A TITLE INSURANCE AGENT IN THIS STATE, PURSUANT TO SUBSECTION (F)
22 OF SECTION TWO THOUSAND ONE HUNDRED FIFTY-TWO OF THIS ARTICLE, OR TO ACT
23 UNDER A LICENSE ISSUED TO A BUSINESS ENTITY, PURSUANT TO SECTION TWO
24 THOUSAND ONE HUNDRED FIFTY-THREE OF THIS ARTICLE, THE APPOINTING TITLE
25 INSURANCE CORPORATION SHALL FILE, IN A FORMAT APPROVED BY THE SUPER-
26 INTENDENT, A CERTIFICATE OF APPOINTMENT STATING THAT IT HAS MADE SUCH
27 INVESTIGATION OF THE ATTORNEY AS IT DEEMS APPROPRIATE AND THAT SUCH
28 TITLE INSURANCE CORPORATION APPOINTS SUCH ATTORNEY SO NAMED TO ACT AS
29 ITS AGENT. SUCH CERTIFICATE SHALL BE SUBSCRIBED BY AN OFFICER OF THE
30 TITLE INSURANCE CORPORATION AND AFFIRMED BY SUCH OFFICER AS TRUE UNDER
31 PENALTY OF PERJURY.

32 (3) TO APPOINT A SUB-LICENSEE TO ACT AS A TITLE INSURANCE AGENT UNDER
33 A LICENSE ISSUED TO A BUSINESS ENTITY, PURSUANT TO SECTION TWO THOUSAND
34 ONE HUNDRED FIFTY-THREE OF THIS ARTICLE, THE APPOINTING TITLE INSURANCE
35 CORPORATION SHALL FILE, IN A FORMAT APPROVED BY THE SUPERINTENDENT, A
36 CERTIFICATE OF APPOINTMENT STATING THAT IT HAS MADE SUCH INVESTIGATION
37 OF THE SUB-LICENSEE AS IT DEEMS APPROPRIATE AND THAT SUCH TITLE INSUR-
38 ANCE CORPORATION APPOINTS SUCH INDIVIDUAL SO NAMED TO ACT AS SUCH
39 SUB-LICENSEE. SUCH CERTIFICATE SHALL BE SUBSCRIBED BY AN OFFICER OF THE
40 TITLE INSURANCE CORPORATION AND AFFIRMED BY SUCH OFFICER AS TRUE UNDER
41 PENALTY OF PERJURY.

42 (C) CERTIFICATES OF APPOINTMENT SHALL BE VALID UNTIL (1) TERMINATED BY
43 THE APPOINTING TITLE INSURANCE CORPORATION AFTER A TERMINATION IN
44 ACCORDANCE WITH THE PROVISIONS OF THE AGENCY CONTRACT; (2) THE LICENSE
45 OR THE CERTIFICATE OF APPOINTMENT IS SUSPENDED OR REVOKED BY THE SUPER-
46 INTENDENT; OR (3) THE LICENSE EXPIRES AND IS NOT RENEWED.

47 (D) EVERY TITLE INSURANCE CORPORATION OR THE AUTHORIZED REPRESENTATIVE
48 OF THE TITLE INSURANCE CORPORATION DOING BUSINESS IN THIS STATE SHALL,
49 UPON TERMINATION OF THE CERTIFICATE OF APPOINTMENT AS SET FORTH IN
50 SUBSECTION (C) OF THIS SECTION OF ANY TITLE INSURANCE AGENT LICENSED IN
51 THIS STATE, OR OF ANY SUB-LICENSEE, OR OF ANY ATTORNEY LICENSED TO PRACTICE
52 LAW IN THIS STATE, OR UPON TERMINATION FOR CAUSE FOR ACTIVITIES AS
53 SET FORTH IN SUBSECTION (A) OF SECTION TWO THOUSAND ONE HUNDRED
54 FIFTY-FIVE OF THIS ARTICLE, OF THE CERTIFICATE OF APPOINTMENT OF ANY
55 TITLE INSURANCE AGENT, SUB-LICENSEE OR ATTORNEY, FILE WITH THE SUPER-
56 INTENDENT WITHIN THIRTY DAYS A STATEMENT, IN SUCH FORM AS THE SUPER-

1 INTENDENT MAY PRESCRIBE, OF THE FACTS RELATIVE TO SUCH TERMINATION FOR
2 CAUSE. THE TITLE INSURANCE CORPORATION, OR ITS AUTHORIZED REPRESENTATIVE SHALL PROVIDE, WITHIN FIFTEEN DAYS AFTER NOTIFICATION HAS BEEN
3 SENT TO THE SUPERINTENDENT, A COPY OF THE STATEMENT FILED WITH THE
4 SUPERINTENDENT TO THE TITLE INSURANCE AGENT, SUB-LICENSEE OR ATTORNEY AT
5 HIS OR HER LAST KNOWN ADDRESS BY CERTIFIED MAIL, RETURN RECEIPT
6 REQUESTED, POSTAGE PREPAID OR BY OVERNIGHT DELIVERY USING A NATIONALLY
7 RECOGNIZED CARRIER. EVERY STATEMENT MADE PURSUANT TO THIS SUBSECTION
8 SHALL BE DEEMED A PRIVILEGED COMMUNICATION.
9

10 (E) THE TITLE INSURANCE CORPORATION, OR ITS AUTHORIZED REPRESENTATIVES
11 SHALL PROMPTLY NOTIFY THE SUPERINTENDENT IN A FORMAT ACCEPTABLE TO THE
12 SUPERINTENDENT IF, UPON FURTHER REVIEW OR INVESTIGATION, THE TITLE
13 INSURANCE CORPORATION OR ITS AUTHORIZED REPRESENTATIVE DISCOVERS ADDI-
14 TIONAL INFORMATION THAT WOULD HAVE BEEN REPORTABLE TO THE SUPERINTENDENT
15 HAD THE TITLE INSURANCE CORPORATION THEN KNOWN OF ITS EXISTENCE. EVERY
16 STATEMENT MADE PURSUANT TO THIS SUBSECTION SHALL BE DEEMED A PRIVILEGED
17 COMMUNICATION.

18 (F) (1) WITHIN FIFTEEN DAYS AFTER MAKING THE NOTIFICATION REQUIRED BY
19 SUBSECTION (E) OF THIS SECTION THE TITLE INSURANCE CORPORATION OR ITS
20 AUTHORIZED REPRESENTATIVE SHALL MAIL A COPY OF THE NOTIFICATION TO THE
21 TITLE INSURANCE AGENT, SUB-LICENSEE OR ATTORNEY AT HIS OR HER LAST KNOWN
22 ADDRESS BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, POSTAGE PREPAID OR
23 BY OVERNIGHT DELIVERY USING A NATIONALLY RECOGNIZED CARRIER.

24 (2) WITHIN THIRTY DAYS AFTER THE TITLE INSURANCE AGENT, SUB-LICENSEE
25 OR ATTORNEY HAS RECEIVED THE ORIGINAL OR ADDITIONAL NOTIFICATION, THE
26 TITLE INSURANCE AGENT, SUB-LICENSEE OR ATTORNEY MAY FILE WRITTEN
27 COMMENTS CONCERNING THE SUBSTANCE OF THE NOTIFICATION WITH THE SUPER-
28 INTENDENT. THE TITLE INSURANCE AGENT, SUB-LICENSEE OR ATTORNEY SHALL, BY
29 THE SAME MEANS, SIMULTANEOUSLY SEND A COPY OF THE COMMENTS TO THE
30 REPORTING TITLE INSURANCE CORPORATION OR ITS AUTHORIZED REPRESENTATIVE
31 AND THE COMMENTS SHALL BECOME A PART OF THE SUPERINTENDENT'S FILE AND
32 ACCOMPANY EVERY COPY OF A REPORT DISTRIBUTED OR DISCLOSED FOR ANY REASON
33 ABOUT THE TITLE INSURANCE AGENT, SUB-LICENSEE OR ATTORNEY AS PERMITTED
34 BY SECTION ONE HUNDRED TEN OF THIS CHAPTER.

35 (G)(1) IN THE ABSENCE OF FRAUD, BAD FAITH OR GROSS NEGLIGENCE, A TITLE
36 INSURANCE CORPORATION OR ITS AUTHORIZED REPRESENTATIVE, A TITLE INSUR-
37 ANCE AGENT, A SUB-LICENSEE, AN ATTORNEY, THE SUPERINTENDENT, OR AN
38 ORGANIZATION OF WHICH THE SUPERINTENDENT IS A MEMBER AND THAT COMPILES
39 THE INFORMATION AND MAKES IT AVAILABLE TO OTHER INSURANCE SUPERINTEN-
40 DENTS OR COMMISSIONERS OR REGULATORY OR LAW ENFORCEMENT AGENCIES SHALL
41 NOT BE SUBJECT TO CIVIL LIABILITY, AND A CIVIL CAUSE OF ACTION OF ANY
42 NATURE SHALL NOT ARISE AGAINST THESE ENTITIES OR THEIR RESPECTIVE AGENTS
43 OR EMPLOYEES AS A RESULT OF ANY STATEMENT OR INFORMATION REQUIRED BY OR
44 PROVIDED PURSUANT TO THIS SECTION OR ANY INFORMATION RELATING TO ANY
45 STATEMENT THAT MAY BE REQUESTED IN WRITING BY THE SUPERINTENDENT, FROM A
46 TITLE INSURANCE CORPORATION, A TITLE INSURANCE AGENT, A SUB-LICENSEE OR
47 AN ATTORNEY, OR THE AUTHORIZED REPRESENTATIVE OF ANY OF THEM, OR A
48 STATEMENT BY A TERMINATING TITLE INSURANCE CORPORATION OR THE AUTHORIZED
49 REPRESENTATIVE OF THE TITLE INSURANCE CORPORATION, OR A TITLE INSURANCE
50 AGENT, SUB-LICENSEE OR ATTORNEY TO A TITLE INSURANCE CORPORATION OR THE
51 AUTHORIZED REPRESENTATIVE OF THE TITLE INSURANCE CORPORATION, TITLE
52 INSURANCE AGENT, SUB-LICENSEE OR ATTORNEY LIMITED SOLELY AND EXCLUSIVELY
53 TO WHETHER A TERMINATION FOR CAUSE WAS REPORTED TO THE SUPERINTENDENT,
54 PROVIDED THAT THE PROPRIETY OF ANY TERMINATION FOR CAUSE IS CERTIFIED IN
55 WRITING BY AN OFFICER OR AUTHORIZED REPRESENTATIVE OF THE TITLE INSUR-
56 ANCE CORPORATION TERMINATING THE RELATIONSHIP.

1 (2) IN ANY ACTION BROUGHT AGAINST A PERSON THAT MAY HAVE IMMUNITY
2 UNDER PARAGRAPH ONE OF THIS SUBSECTION FOR MAKING ANY STATEMENT REQUIRED
3 BY THIS SECTION OR PROVIDING ANY INFORMATION RELATING TO ANY STATEMENT
4 THAT MAY BE REQUESTED BY THE SUPERINTENDENT, THE PARTY BRINGING THE
5 ACTION SHALL PLEAD SPECIFICALLY IN ANY ALLEGATION THAT PARAGRAPH ONE OF
6 THIS SUBSECTION DOES NOT APPLY BECAUSE THE PERSON MAKING THE STATEMENT
7 OR PROVIDING THE INFORMATION DID SO FRAUDULENTLY, IN BAD FAITH OR
8 THROUGH GROSS NEGLIGENCE.

9 (3) PARAGRAPHS ONE AND TWO OF THIS SUBSECTION SHALL NOT ABROGATE OR
10 MODIFY ANY EXISTING STATUTORY OR COMMON LAW PRIVILEGES OR IMMUNITIES.

11 (H)(1) ANY DOCUMENTS, MATERIALS OR OTHER INFORMATION IN THE CONTROL OR
12 POSSESSION OF THE SUPERINTENDENT THAT ARE FURNISHED BY A TITLE INSURANCE
13 CORPORATION, TITLE INSURANCE AGENT, SUB-LICENSEE OR ATTORNEY OR AN
14 EMPLOYEE OR AGENT THEREOF ACTING ON BEHALF THEREOF, RELATING TO THE
15 TERMINATION OF A TITLE INSURANCE AGENT, SUB-LICENSEE OR ATTORNEY PURSU-
16 ANT TO THIS SECTION OR OBTAINED BY THE SUPERINTENDENT IN AN INVESTI-
17 GATION PURSUANT TO THIS SECTION SHALL BE CONFIDENTIAL BY LAW AND PRIVI-
18 LEGED, SHALL NOT BE SUBJECT TO FREEDOM OF INFORMATION REQUESTS, SHALL
19 NOT BE SUBJECT TO SUBPOENA, AND SHALL NOT BE SUBJECT TO DISCOVERY OR
20 ADMISSIBLE IN EVIDENCE IN ANY PRIVATE CIVIL ACTION. HOWEVER, THE SUPER-
21 INTENDENT IS AUTHORIZED TO USE THE DOCUMENTS, MATERIALS OR OTHER INFOR-
22 MATION IN FURTHERANCE OF ANY REGULATORY OR LEGAL ACTION BROUGHT AS A
23 PART OF THE SUPERINTENDENT'S DUTIES. FURTHER, THIS PARAGRAPH SHALL NOT
24 APPLY TO ANY DOCUMENTS, MATERIALS OR OTHER INFORMATION IN THE CONTROL OR
25 POSSESSION OF ANY PERSON OR ENTITY OTHER THAN THE SUPERINTENDENT OR THE
26 DEPARTMENT, REGARDLESS OF WHETHER OR NOT SUCH DOCUMENTS, MATERIALS OR
27 OTHER INFORMATION ARE IDENTICAL OR SIMILAR TO DOCUMENTS, MATERIALS OR
28 OTHER INFORMATION IN THE SUPERINTENDENT'S CONTROL OR POSSESSION TO WHICH
29 THE CONFIDENTIALITY RESTRICTIONS OF THIS PARAGRAPH APPLY.

30 (2) NEITHER THE SUPERINTENDENT NOR ANY PERSON WHO RECEIVED DOCUMENTS,
31 MATERIALS OR OTHER INFORMATION WHILE ACTING UNDER THE AUTHORITY OF THE
32 SUPERINTENDENT SHALL BE PERMITTED OR REQUIRED TO TESTIFY IN ANY PRIVATE
33 CIVIL ACTION CONCERNING ANY CONFIDENTIAL DOCUMENTS, MATERIALS, OR INFOR-
34 MATION SUBJECT TO THE PROVISIONS OF PARAGRAPH ONE OF THIS SUBSECTION.

35 (3) NOTHING IN THIS ARTICLE SHALL PROHIBIT THE SUPERINTENDENT FROM
36 RELEASING FINAL, ADJUDICATED ACTIONS INCLUDING FOR CAUSE TERMINATIONS
37 THAT ARE OPEN TO PUBLIC INSPECTION PURSUANT TO ARTICLE SIX OF THE PUBLIC
38 OFFICERS LAW TO A DATA BASE OR OTHER CLEARINGHOUSE SERVICE MAINTAINED BY
39 THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, ITS AFFILIATES OR
40 SUBSIDIARIES.

41 (I) A TITLE INSURANCE CORPORATION, A TITLE INSURANCE AGENT, A SUB-LI-
42 CENSEE OR AN ATTORNEY THAT FAILS TO REPORT AS REQUIRED UNDER THE
43 PROVISIONS OF THIS SECTION OR THAT IS FOUND TO HAVE REPORTED FRAUDU-
44 LENTLY, IN BAD FAITH OR THROUGH GROSS NEGLIGENCE BY A COURT OF COMPETENT
45 JURISDICTION MAY, AFTER NOTICE AND HEARING, HAVE ITS LICENSE OR CERTIF-
46 ICATE OF APPOINTMENT ISSUED UNDER THIS CHAPTER SUSPENDED OR REVOKED AND
47 MAY BE FINED IN ACCORDANCE WITH THE PROVISIONS OF THIS CHAPTER,
48 PROVIDED, HOWEVER, THAT A TITLE INSURANCE CORPORATION MAY BE FINED UP TO
49 FIVE THOUSAND DOLLARS. IN THE CASE OF A DOMESTIC TITLE INSURANCE CORPO-
50 RATION, THE PROVISIONS OF ARTICLE SEVENTY-FOUR OF THIS CHAPTER SHALL
51 ALSO APPLY.

52 S 2159. COMMISSIONS; PREMIUM SPLITTING AND OTHER PROHIBITED PAYMENTS
53 OR RECEIPTS OF PAYMENTS. (A) NO TITLE INSURANCE CORPORATION DOING BUSI-
54 NESS IN THIS STATE, AND NO AGENT OR OTHER REPRESENTATIVE THEREOF, EXCEPT
55 AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, SHALL PAY ANY COMMISSION
56 OR OTHER COMPENSATION TO ANY PERSON FOR ACTING AS A TITLE INSURANCE

1 AGENT IN THIS STATE, EXCEPT TO A PERSON LICENSED OR OTHERWISE AUTHORIZED
2 TO ACT AS A TITLE INSURANCE AGENT OF SUCH TITLE INSURANCE CORPORATION.
3 NO TITLE INSURANCE AGENT OR ANY REPRESENTATIVE OF SUCH AGENT SHALL PAY
4 ANY COMMISSION OR COMPENSATION, EXCEPT AS PROVIDED IN SUBSECTION (E) OF
5 THIS SECTION, TO ANY OTHER TITLE INSURANCE AGENT OR ANY REPRESENTATIVE
6 OF SUCH AGENT.

7 (B) NO TITLE INSURANCE AGENT SHALL RECEIVE ANY COMMISSIONS OR FEES OR
8 SHARES THEREOF IN CONNECTION WITH INSURANCE COVERAGES PLACED FOR OR
9 INSURANCES SERVICES RENDERED TO THE STATE, ITS AGENCIES AND DEPARTMENTS,
10 PUBLIC BENEFIT CORPORATIONS, MUNICIPALITIES AND OTHER GOVERNMENTAL
11 SUBDIVISIONS IN THIS STATE, UNLESS SUCH TITLE INSURANCE AGENT ACTUALLY
12 PLACED INSURANCE COVERAGES ON BEHALF OF OR RENDERED INSURANCE SERVICES
13 TO THE STATE, ITS AGENCIES AND DEPARTMENTS, PUBLIC BENEFIT CORPORATIONS,
14 MUNICIPALITIES AND OTHER GOVERNMENTAL SUBDIVISIONS IN THIS STATE.

15 (C) THE SUPERINTENDENT SHALL, BY REGULATION, REQUIRE TITLE INSURANCE
16 AGENTS TO FILE DISCLOSURE STATEMENTS WITH THE INSURANCE DEPARTMENT AND
17 THE MOST SENIOR OFFICIAL OF THE GOVERNMENTAL UNIT INVOLVED, WITH RESPECT
18 TO ANY INSURANCE COVERAGES PLACED FOR OR INSURANCE SERVICES RENDERED TO
19 THE STATE, ITS AGENCIES AND DEPARTMENTS, PUBLIC BENEFIT CORPORATIONS,
20 MUNICIPALITIES AND OTHER GOVERNMENTAL SUBDIVISIONS IN THIS STATE.

21 (D) NO TITLE INSURANCE AGENT OR ITS SUB-LICENSEES, EMPLOYEES, OR ANY
22 OTHER PERSON ACTING FOR OR ON ITS BEHALF, SHALL, EXCEPT AS PERMITTED IN
23 SECTION TWO THOUSAND THREE HUNDRED TWENTY-FOUR OF THIS CHAPTER: (1) MAKE
24 ANY REBATE OF ANY PORTION OF THE FEE, PREMIUM OR CHARGE MADE, OR (2) PAY
25 OR GIVE EITHER DIRECTLY OR INDIRECTLY, ANY COMMISSION, ANY PART OF ITS
26 FEES OR CHARGES, OR ANY OTHER CONSIDERATION OR VALUABLE THING, AS AN
27 INDUCEMENT FOR, OR AS COMPENSATION FOR, ANY TITLE INSURANCE BUSINESS TO
28 ANY APPLICANT FOR INSURANCE OR TO ANY PERSON ACTING AS AGENT, REPRESENTATIVE,
29 ATTORNEY, OR EMPLOYEE OF THE OWNER, LESSEE, MORTGAGEE OR THE
30 PROSPECTIVE OWNER, LESSEE, OR MORTGAGEE OF THE REAL PROPERTY WHICH IS
31 THE SUBJECT OF A TITLE INSURANCE POLICY.

32 (E) NOTHING IN THIS SECTION SHALL BE CONSTRUED AS PROHIBITING THE
33 PAYMENT TO ANY PERSON OF A BONA FIDE SALARY, COMPENSATION OR OTHER
34 PAYMENT FOR GOODS OR FACILITIES ACTUALLY FURNISHED OR FOR SERVICES ACTUALLY
35 PERFORMED. SUCH PAYMENT SHALL NOT EXCEED THE REASONABLE AND CUSTOMARY
36 COMPENSATION FOR THE GOODS OR SERVICES OR FACILITIES ACTUALLY
37 RENDERED OR FURNISHED.

38 (F) A TITLE INSURANCE AGENT SHALL NOT DIRECTLY OR INDIRECTLY ACCEPT
39 ANY PAYMENT FOR OR REIMBURSEMENT OF ANY FEE, FINE OR PENALTY IMPOSED BY
40 THE SUPERINTENDENT ON THE TITLE INSURANCE AGENT PURSUANT TO THIS CHAPTER.
41

42 S 2160. ACTING FOR OR AIDING UNLICENSED OR UNAUTHORIZED TITLE INSURANCE
43 CORPORATIONS. NO PERSON SHALL IN THIS STATE ACT AS AGENT FOR ANY
44 TITLE INSURANCE CORPORATION WHICH IS NOT LICENSED OR AUTHORIZED TO DO A
45 TITLE INSURANCE BUSINESS IN THIS STATE, IN THE DOING OF ANY TITLE INSURANCE
46 BUSINESS IN THIS STATE OR IN SOLICITING, NEGOTIATING OR EFFECTUATING
47 ANY TITLE INSURANCE, OR SHALL IN THIS STATE IN ANY WAY OR MANNER,
48 EXCEPT BY PROVIDING A TITLE SEARCH, AID ANY SUCH TITLE INSURANCE CORPORATION
49 IN EFFECTING ANY TITLE INSURANCE POLICY.

50 S 2161. CONTROLLED BUSINESS. A TITLE INSURANCE AGENT SHALL NOT ALLOW
51 AN ORIGINATOR TO HOLD A FINANCIAL INTEREST IN SUCH TITLE INSURANCE AGENT
52 UNLESS ALL OF THE FOLLOWING REQUIREMENTS ARE MET AT THE TIME OF THE
53 ACQUISITION OF SUCH FINANCIAL INTEREST AND AT ALL TIMES THEREAFTER:

54 (A) THE ORIGINATOR MAKING A REFERRAL OF TITLE INSURANCE BUSINESS, AT
55 OR PRIOR TO THE TIME OF THE REFERRAL, DISCLOSES IN WRITING TO THE PARTY
56 BEING REFERRED:

1 (1) THAT THE ORIGINATOR HAS A FINANCIAL INTEREST IN THE TITLE INSUR-
2 ANCE AGENT;

3 (2) AN ESTIMATE OF THE COST OF THE SERVICES OF THE TITLE INSURANCE
4 AGENT, INCLUDING, WITHOUT LIMITATION, THE TITLE INSURANCE PREMIUMS;

5 (3) THAT THE PARTY BEING REFERRED IS NOT REQUIRED TO USE THE TITLE
6 INSURANCE AGENT TO WHICH THE PARTY IS BEING REFERRED.

7 (B) THE ORIGINATOR IS NOT THE SOLE SOURCE OF BUSINESS OF THE TITLE
8 INSURANCE AGENT.

9 (C) THE TITLE INSURANCE AGENT HAS SIGNIFICANT AND MULTIPLE SOURCES OF
10 BUSINESS.

11 (D) ANY MONEY OR OTHER THING OF VALUE PAID BY THE TITLE INSURANCE
12 AGENT TO THE ORIGINATOR IS BASED ON THE ORIGINATOR'S FINANCIAL INTEREST
13 IN THE TITLE INSURANCE AGENT AND IS NOT RELATED TO THE AMOUNT OF THE
14 INSURANCE BUSINESS SUCH ORIGINATOR REFERS TO THE TITLE INSURANCE AGENT,
15 PROVIDED, HOWEVER, THAT SUBSECTIONS (B) AND (C) OF THIS SECTION SHALL
16 NOT APPLY TO AN ATTORNEY LICENSED TO PRACTICE LAW IN THIS STATE OR TO A
17 LAW FIRM LAWFULLY RENDERING LEGAL SERVICES IN THIS STATE ACTING AS A
18 TITLE INSURANCE AGENT AS AN ADJUNCT TO THE ATTORNEY'S OR THE LAW FIRM'S
19 LAW PRACTICE WHO (1) REPRESENTS A CLIENT IN A REAL ESTATE TRANSACTION,
20 (2) PERFORMS THE ACTS ENUMERATED IN PARAGRAPHS ONE, TWO, THREE AND FIVE
21 OF SUBSECTION (C) OF SECTION TWO THOUSAND ONE HUNDRED FIFTY-ONE OF THIS
22 ARTICLE, AND (3) WAS A TITLE INSURANCE AGENT ON THE DATE THIS SECTION
23 FIRST BECAME A LAW AND FOR AT LEAST THE TWELVE MONTHS IMMEDIATELY
24 PRECEDING SUCH DATE.

25 S 2162. FIDUCIARY CAPACITY OF LICENSEES. (A) EVERY LICENSEE SHALL BE
26 RESPONSIBLE IN A FIDUCIARY CAPACITY FOR ALL FUNDS RECEIVED OR COLLECTED
27 AS A TITLE INSURANCE AGENT AND SHALL NOT, WITHOUT THE EXPRESS CONSENT OF
28 HIS OR HER OR ITS PRINCIPAL, MINGLE ANY SUCH FUNDS WITH HIS OR HER OR
29 ITS OWN FUNDS OR WITH FUNDS HELD BY HIM OR HER OR IT IN ANY OTHER CAPAC-
30 ITY.

31 (B) THIS SECTION SHALL NOT REQUIRE ANY SUCH AGENT TO MAINTAIN A SEPA-
32 RATE BANK DEPOSIT FOR THE FUNDS OF EACH SUCH PRINCIPAL, IF AND AS LONG
33 AS THE FUNDS SO HELD FOR EACH SUCH PRINCIPAL ARE REASONABLY ASCERTAINA-
34 BLE FROM THE BOOKS OF ACCOUNT AND RECORDS OF SUCH AGENT.

35 S 2163. ADVERTISING BY LICENSEES. (A)(1) NO LICENSEE SHALL MAKE OR
36 ISSUE IN THIS STATE ANY ADVERTISEMENT, SIGN, PAMPHLET, CIRCULAR, CARD OR
37 OTHER PUBLIC ANNOUNCEMENT PURPORTING TO MAKE KNOWN THE FINANCIAL CONDI-
38 TION OF ANY TITLE INSURANCE CORPORATION, UNLESS THE SAME SHALL CONFORM
39 TO THE REQUIREMENTS OF SECTION ONE THOUSAND THREE HUNDRED THIRTEEN OF
40 THIS CHAPTER.

41 (2) NO LICENSEE OR OTHER PERSON SHALL, BY ANY ADVERTISEMENT OR PUBLIC
42 ANNOUNCEMENT IN THIS STATE, CALL ATTENTION TO ANY UNAUTHORIZED TITLE
43 INSURANCE CORPORATION.

44 (B) EVERY LICENSEE SHALL, IN ALL ADVERTISEMENTS, PUBLIC ANNOUNCEMENTS,
45 SIGNS, PAMPHLETS, CIRCULARS AND CARDS, WHICH REFER TO A TITLE INSURANCE
46 CORPORATION, SET FORTH THEREIN THE NAME IN FULL OF THE TITLE INSURANCE
47 CORPORATION REFERRED TO.

48 S 2164. STAY OR SUSPENSION OF SUPERINTENDENT'S DETERMINATION. THE
49 COMMENCEMENT OF A PROCEEDING UNDER ARTICLE SEVENTY-EIGHT OF THE CIVIL
50 PRACTICE LAW AND RULES, TO REVIEW THE ACTION OF THE SUPERINTENDENT IN
51 SUSPENDING OR REVOKING OR REFUSING TO RENEW ANY LICENSE UNDER THIS ARTI-
52 CLE, SHALL STAY SUCH ACTION OF THE SUPERINTENDENT FOR A PERIOD OF THIRTY
53 DAYS. SUCH STAY SHALL NOT BE EXTENDED FOR A LONGER PERIOD UNLESS THE
54 COURT SHALL DETERMINE, AFTER A PRELIMINARY HEARING OF WHICH THE SUPER-
55 INTENDENT IS NOTIFIED FORTY-EIGHT HOURS IN ADVANCE, THAT A STAY OF THE
56 SUPERINTENDENT'S ACTION PENDING THE FINAL DETERMINATION OR FURTHER ORDER

1 OF THE COURT WILL NOT UNDULY INJURE THE INTERESTS OF THE PEOPLE OF THE
2 STATE.

3 S 2165. IMPERSONATION AT EXAMINATIONS PROHIBITED. NO PERSON SHALL
4 IMPERSONATE ANY OTHER PERSON, OR PERMIT OR AID IN ANY MANNER ANY OTHER
5 PERSON TO IMPERSONATE HIM OR HER, IN CONNECTION WITH ANY EXAMINATION
6 HELD IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE.

7 S 2166. CONTINUING EDUCATION. (A) THIS SECTION SHALL APPLY TO PERSONS
8 LICENSED PURSUANT TO THIS ARTICLE AND TO INDIVIDUALS DESIGNATED AS A
9 SUB-LICENSEE TO FULFILL THE CONTINUING EDUCATION REQUIREMENTS FOR AN
10 ENTITY LICENSED UNDER THIS ARTICLE.

11 (B) THIS SECTION SHALL NOT APPLY TO:

12 (1) AN ATTORNEY LICENSED TO PRACTICE LAW IN THIS STATE;

13 (2) ANY LICENSEES AS THE SUPERINTENDENT MAY EXEMPT SUBJECT TO ANY
14 CONTINUING EDUCATION REQUIREMENTS DEEMED APPROPRIATE BY THE SUPERINTEN-
15 DENT.

16 (C) PERSONS LICENSED PURSUANT TO THIS ARTICLE AND NOT EXEMPT UNDER
17 THIS ARTICLE, SHALL BIENNIALLY SATISFACTORILY COMPLETE SUCH COURSES OR
18 PROGRAMS OF INSTRUCTION AS MAY BE APPROVED BY THE SUPERINTENDENT, AS
19 FOLLOWS:

20 (1) ANY PERSON HOLDING A LICENSE ISSUED PURSUANT TO THIS ARTICLE AND
21 NOT EXEMPT UNDER SUBSECTION (B) OF THIS SECTION SHALL, DURING EACH FULL
22 BIENNIAL LICENSING PERIOD, SATISFACTORILY COMPLETE COURSES OR PROGRAMS
23 OF INSTRUCTION OR ATTEND SEMINARS AS MAY BE APPROVED BY THE SUPERINTEN-
24 DENT EQUIVALENT TO FIFTEEN CREDIT HOURS OF INSTRUCTION.

25 (2) EXCESS CREDIT HOURS ACCUMULATED DURING ANY BIENNIAL LICENSING
26 PERIOD SHALL NOT CARRY FORWARD TO THE NEXT BIENNIAL LICENSING PERIOD.

27 (D)(1) THE COURSES OR PROGRAMS OF INSTRUCTION SUCCESSFULLY COMPLETED,
28 WHICH SHALL BE DEEMED TO MEET THE SUPERINTENDENT'S STANDARDS FOR CONTIN-
29 UING EDUCATION REQUIREMENTS, SHALL BE COURSES, PROGRAMS OF INSTRUCTION
30 OR SEMINARS, APPROVED AS TO METHOD AND CONTENT BY THE SUPERINTENDENT,
31 RELATED TO TITLE INSURANCE, AND GIVEN BY A DEGREE CONFERRING COLLEGE OR
32 UNIVERSITY WHOSE CURRICULUM IS REGISTERED WITH THE STATE EDUCATION
33 DEPARTMENT AT THE TIME THE PERSON TAKES THE COURSE, WHETHER SUCH COURSE
34 BE GIVEN AS PART OF SUCH CURRICULUM OR SEPARATELY, OR BY ANY OTHER
35 INSTITUTION, AGENTS' ASSOCIATION, TRADE ASSOCIATION, BAR ASSOCIATION OR
36 TITLE INSURANCE CORPORATION, WHICH MAINTAINS EQUIVALENT STANDARDS OF
37 INSTRUCTION AND WHICH SHALL HAVE BEEN APPROVED FOR SUCH PURPOSE BY THE
38 SUPERINTENDENT.

39 (2) THE NUMBER OF CREDIT HOURS ASSIGNED TO EACH OF THE COURSES OR
40 PROGRAMS OF INSTRUCTION SET FORTH IN PARAGRAPH ONE OF THIS SUBSECTION
41 SHALL BE DETERMINED BY THE SUPERINTENDENT.

42 (E) A PERSON WHO TEACHES ANY APPROVED COURSE OF INSTRUCTION OR WHO
43 LECTURES AT ANY APPROVED SEMINAR, AND WHO IS SUBJECT TO THIS SECTION,
44 SHALL BE GRANTED THE SAME NUMBER OF CREDIT HOURS AS WOULD BE GRANTED TO
45 A PERSON TAKING AND SUCCESSFULLY COMPLETING SUCH COURSE, SEMINAR OR
46 PROGRAM, PROVIDED THAT SUCH CREDIT HOURS SHALL BE CREDITED ONLY ONCE PER
47 APPROVED COURSE DURING ANY BIENNIAL LICENSING PERIOD.

48 (F) EVERY PERSON SUBJECT TO THIS SECTION SHALL FURNISH, IN A FORM
49 SATISFACTORY TO THE SUPERINTENDENT, CERTIFICATION ATTESTING TO THE
50 COURSE OR PROGRAMS OF INSTRUCTION TAKEN AND SUCCESSFULLY COMPLETED BY
51 SUCH PERSON PURSUANT TO SUBSECTION (D) OF THIS SECTION.

52 (G)(1) ANY PERSON FAILING TO MEET THE REQUIREMENTS IMPOSED BY THIS
53 SECTION SHALL NOT BE ELIGIBLE TO RENEW THE LICENSE.

54 (2) ANY PERSON WHOSE LICENSE WAS NOT RENEWED SHALL NOT BE ELIGIBLE TO
55 BECOME RELICENSED DURING THE NEXT BIENNIAL LICENSING PERIOD UNTIL THAT
56 PERSON HAS DEMONSTRATED TO THE SATISFACTION OF THE SUPERINTENDENT THAT

1 CONTINUING EDUCATION REQUIREMENTS FOR THE LAST BIENNIAL LICENSING PERIOD
2 WERE MET.

3 (3) ANY PERSON WHOSE LICENSE WAS NOT RENEWED PURSUANT TO PARAGRAPH ONE
4 OF THIS SUBSECTION, WHO ACCUMULATES SUFFICIENT CREDIT HOURS FOR THE
5 PRIOR LICENSING PERIOD TO QUALIFY FOR RELICENSING IN THE BIENNIAL PERIOD
6 FOLLOWING SUCH NON-RENEWAL, MAY NOT APPLY THOSE SAME CREDIT HOURS TOWARD
7 THE CONTINUING EDUCATION REQUIREMENTS FOR THE CURRENT BIENNIAL LICENSING
8 PERIOD.

9 (H)(1) ANY ENTITY ELIGIBLE TO PROVIDE COURSES, PROGRAMS OF INSTRU-
10 TION, OR SEMINARS IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION,
11 MUST FILE FOR APPROVAL BY THE SUPERINTENDENT ON A BIENNIAL BASIS, TO
12 CONFORM WITH ITS AREA OF INSTRUCTION, A PROVIDER ORGANIZATION APPLICA-
13 TION AND A COURSE SUBMISSION APPLICATION FOR EACH COURSE, PROGRAM AND
14 SEMINAR.

15 (2) THE PROVIDER ORGANIZATION APPLICATION SHALL INCLUDE THE NAMES OF
16 ALL INSTRUCTORS TO BE USED DURING THE CONTRACT PERIOD, AND INSTRUCTORS
17 MAY BE ADDED DURING THE PERIOD BY NOTIFYING THE SUPERINTENDENT AND
18 PAYING THE APPROPRIATE FILING FEE.

19 (3) THE COMPLETED APPLICATIONS SHALL BE RETURNED IN A TIMELY MANNER,
20 AS SPECIFIED BY THE SUPERINTENDENT, WITH A NON-REFUNDABLE FILING FEE OF
21 TWO HUNDRED DOLLARS PER ORGANIZATION, FIFTY DOLLARS PER COURSE, PROGRAM
22 AND SEMINAR, AND FIFTY DOLLARS PER INSTRUCTOR.

23 (4) APPROVAL OF THE APPLICATION SHALL BE AT THE DISCRETION OF THE
24 SUPERINTENDENT.

25 (I) EACH LICENSEE SHALL PAY A BIENNIAL FEE OF TEN DOLLARS PER LICENSE,
26 FOR CONTINUING EDUCATION CERTIFICATE FILING AND RECORDING CHARGES, TO
27 THE SUPERINTENDENT OR, AT THE DISCRETION OF THE SUPERINTENDENT, DIRECTLY
28 TO AN ORGANIZATION UNDER CONTRACT TO PROVIDE CONTINUING EDUCATION ADMIN-
29 ISTRACTIVE SERVICES.

30 S 2167. CHANGE OF ADDRESS. A LICENSEE UNDER THIS ARTICLE SHALL INFORM
31 THE SUPERINTENDENT BY A MEANS ACCEPTABLE TO THE SUPERINTENDENT OF A
32 CHANGE OF ADDRESS WITHIN THIRTY DAYS OF THE CHANGE.

33 S 2168. ADMINISTRATION OF CERTAIN FUNCTIONS. THE SUPERINTENDENT MAY
34 DESIGNATE THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS (NAIC) OR
35 ANY AFFILIATES OR SUBSIDIARIES THAT THE NAIC OVERSEES TO PERFORM MINIS-
36 TERIAL FUNCTIONS, INCLUDING THE COLLECTION OF FEES, RELATED TO LICENSING
37 UNDER THIS ARTICLE THAT THE SUPERINTENDENT MAY DEEM APPROPRIATE.

38 S 2. Subsection (a) of section 107 of the insurance law is amended by
39 adding a new paragraph 54 to read as follows:

40 (54) "TITLE INSURANCE AGENT" HAS THE MEANING ASCRIBED TO IT BY SECTION
41 TWO THOUSAND ONE HUNDRED FIFTY-ONE OF THIS CHAPTER.

42 S 3. Subsection (b) of section 304 of the insurance law, as amended by
43 chapter 635 of the laws of 1996, is amended to read as follows:

44 (b) The person conducting such hearing shall have power to administer
45 oaths, examine and cross-examine witnesses and receive documentary
46 evidence, and shall report his OR HER findings, orally or in writing, to
47 the superintendent with or without recommendation. Such report, if
48 adopted by the superintendent or by his OR HER authority may be the
49 basis of any determination made by the superintendent or by his OR HER
50 authority. One hundred twenty days after the effective date of a deter-
51 mination of liability for a civil penalty pursuant to section four
52 hundred three, two thousand one hundred two [or], two thousand one
53 hundred thirty-three, TWO THOUSAND ONE HUNDRED FIFTY-SIX OR TWO THOUSAND
54 ONE HUNDRED FIFTY-EIGHT of this chapter, such determination of liability
55 for a civil penalty may be entered as a judgment and enforced, without
56 court proceedings, in the same manner as the enforcement of a money

1 judgment in civil actions in any court of competent jurisdiction or any
2 other place provided for the entry of civil judgment within the state of
3 New York.

4 S 4. Subsection (b) of section 305 of the insurance law is amended to
5 read as follows:

6 (b) No insurer, insurance agent, TITLE INSURANCE AGENT, insurance
7 broker or other person subject to the provisions of this chapter whose
8 conduct, condition or practices are being investigated, and no officer,
9 director or employee of any such person, shall be entitled to witness or
10 mileage fees.

11 S 5. Subsection (b) of section 326 of the insurance law is amended to
12 read as follows:

13 (b) Except as provided in section two thousand one hundred twenty-four
14 AND SECTION TWO THOUSAND ONE HUNDRED SIXTY-FOUR of this chapter, the
15 commencement of such proceeding shall not affect the enforcement or
16 validity of the superintendent's order, regulation or decision under
17 review unless the court shall determine, after a preliminary hearing of
18 which the superintendent is notified at least forty-eight hours in
19 advance, that a stay of enforcement pending the proceeding or until
20 further direction of the court will not unduly injure the interests of
21 the people of the state, in which case a stay of execution may be grant-
22 ed.

23 S 6. Subsection (a) of section 327 of the insurance law is amended to
24 read as follows:

25 (a) The superintendent may maintain and prosecute, in the name of the
26 people of the state, an action against any insurer, its officers, direc-
27 tors, trustees or agents OR AGAINST ANY PERSON UNLAWFULLY ACTING AS A
28 TITLE INSURANCE AGENT or against any broker or adjuster or against any
29 other person subject to the provisions of this chapter, for the purpose
30 of obtaining an injunction restraining such person or persons from doing
31 any acts in violation of the provisions of this chapter.

32 S 7. Subsections (a) and (b) of section 2324 of the insurance law,
33 subsection (a) as amended by chapter 482 of the laws of 2000, are
34 amended to read as follows:

35 (a) No authorized insurer, no licensed insurance agent, NO LICENSED
36 TITLE INSURANCE AGENT, no licensed insurance broker, and no employee or
37 other representative of any such insurer, agent or broker shall make,
38 procure or negotiate any contract of insurance other than as plainly
39 expressed in the policy or other written contract issued or to be issued
40 as evidence thereof, or shall directly or indirectly, by giving or shar-
41 ing a commission or in any manner whatsoever, pay or allow or offer to
42 pay or allow to the insured or to any employee of the insured, either as
43 an inducement to the making of insurance or after insurance has been
44 effected, any rebate from the premium which is specified in the policy,
45 or any special favor or advantage in the dividends or other benefit to
46 accrue thereon, or shall give or offer to give any valuable consider-
47 ation or inducement of any kind, directly or indirectly, which is not
48 specified in such policy or contract, other than any article of merchan-
49 dise not exceeding fifteen dollars in value which shall have conspicu-
50 ously stamped or printed thereon the advertisement of the insurer, agent
51 or broker, or shall give, sell or purchase, or offer to give, sell or
52 purchase, as an inducement to the making of such insurance or in
53 connection therewith, any stock, bond or other securities or any divi-
54 dends or profits accrued thereon, nor shall the insured, his OR HER
55 agent or representative knowingly receive directly or indirectly, any
56 such rebate or special favor or advantage, provided, however, a licensed

1 insurance agent, A LICENSED TITLE INSURANCE AGENT or a licensed insur-
2 ance broker may retain the usual commission or underwriting fee on
3 insurance placed on his OR HER own property or risks, if the aggregate
4 of such commissions or underwriting fees will not exceed five percent of
5 the total net commissions or underwriting fees received by such licensed
6 insurance agent, LICENSED TITLE INSURANCE AGENT or insurance broker
7 during the calendar year.

8 (b) Within the meaning of subsection (a) [hereof] OF THIS SECTION, the
9 sharing of a commission with the insured shall be deemed to include any
10 case in which a licensed insurance agent, LICENSED TITLE INSURANCE AGENT
11 or a licensed insurance broker which is a subsidiary corporation of, or
12 a corporation affiliated with, any corporation insured, received commis-
13 sions for the negotiation or procurement of any policy or contract of
14 insurance for the insured.

15 S 8. This act shall take effect immediately; provided that sections
16 one through seven of this act shall take effect July 1, 2010; provided,
17 further, that subsections (a) and (b) of section 2152 of the insurance
18 law, as added by section one of this act, shall take effect January 1,
19 2011; provided, however, that the superintendent of insurance is author-
20 ized to promulgate such rules and regulations and take any other meas-
21 ures as may be necessary for the timely implementation of sections one
22 through seven of this act.