

S T A T E O F N E W Y O R K

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I N A S S E M B L Y

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Introduced by M. of A. BRADLEY, CARROZZA, LATIMER, FIELDS, CLARK, KAVANAGH, SPANO, WEISENBERG, BENJAMIN -- Multi-Sponsored by -- M. of A. BENEDETTO, BING, BOYLAND, BRENNAN, DeMONTE, GALEF, MAISEL, MARKEY, MAYERSOHN, NOLAN, PRETLOW, TOWNS -- read once and referred to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

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

ARTICLE 21-A

TITLE INSURANCE AGENTS

SECTION 2151. DEFINITIONS.

2152. ACTING WITHOUT A LICENSE.

2153. TITLE INSURANCE AGENTS; LICENSING.

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

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

2156. PENALTIES FOR VIOLATIONS.

2157. REVOKED LICENSEES.

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

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

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

2161. CONTROLLED BUSINESS.

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

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1 2162. FIDUCIARY CAPACITY OF LICENSEES.
2 2163. ADVERTISING BY LICENSEES.
3 2164. STAY OR SUSPENSION OF SUPERINTENDENT'S DETERMINATION.
4 2165. IMPERSONATION AT EXAMINATIONS PROHIBITED.
5 2166. CONTINUING EDUCATION.
6 2167. CHANGE OF ADDRESS.
7 2168. ADMINISTRATION OF CERTAIN FUNCTIONS.

8 S 2151. DEFINITIONS. IN THIS ARTICLE:

9 (A) "BUSINESS ENTITY" MEANS A CORPORATION, ASSOCIATION, PARTNERSHIP,
10 LIMITED LIABILITY COMPANY, LIMITED LIABILITY PARTNERSHIP OR OTHER LEGAL
11 ENTITY.

12 (B) "CONTROLLED BUSINESS" MEANS ANY PORTION OF A TITLE INSURANCE
13 AGENT'S BUSINESS THAT IS REFERRED TO IT BY AN ORIGINATOR OF TITLE INSUR-
14 ANCE BUSINESS, WHERE THE ORIGINATOR HAS A FINANCIAL INTEREST IN THE
15 TITLE INSURANCE AGENT.

16 (C) "CORE TITLE SERVICES" IN CONNECTION WITH THE ACTIVITIES GOVERNED
17 BY THIS ARTICLE MEANS:

18 (1) THE EVALUATION OF THE TITLE SEARCH TO DETERMINE INSURABILITY OF
19 THE TITLE;

20 (2) THE PREPARATION AND ISSUANCE OF A TITLE INSURANCE COMMITMENT;

21 (3) THE CLEARANCE OF UNDERWRITING EXCEPTIONS IN CONNECTION WITH THE
22 ISSUANCE OF A TITLE INSURANCE POLICY;

23 (4) THE MARKING UP OF A TITLE INSURANCE COMMITMENT TO BIND A TITLE
24 INSURANCE CORPORATION; AND

25 (5) THE PREPARATION AND ISSUANCE OF A TITLE INSURANCE POLICY ON BEHALF
26 OF A TITLE INSURANCE CORPORATION.

27 (D) "FINANCIAL INTEREST" MEANS A DIRECT OR INDIRECT INTEREST, LEGAL OR
28 BENEFICIAL, WHEREIN THE HOLDER IS OR WILL BE ENTITLED TO ANY PORTION OF
29 THE PROFITS OR NET WORTH OF THE PERSON IN WHICH THE INTEREST IS HELD.

30 (E) "LICENSEE" MEANS A TITLE INSURANCE AGENT TO WHOM A LICENSE HAS
31 BEEN ISSUED PURSUANT TO SECTION TWO THOUSAND ONE HUNDRED FIFTY-THREE OF
32 THIS ARTICLE.

33 (F) "NEGOTIATE" OR "NEGOTIATION" MEANS THE ACT OF CONFERRING DIRECTLY
34 WITH OR OFFERING ADVICE DIRECTLY TO A PURCHASER OR PROSPECTIVE PURCHASER
35 OF A PARTICULAR TITLE INSURANCE POLICY CONCERNING ANY OF THE SUBSTANTIVE
36 BENEFITS, TERMS OR CONDITIONS OF THE POLICY, PROVIDED THAT THE PERSON
37 ENGAGED IN THAT ACT SELLS TITLE INSURANCE.

38 (G) "ORIGINATOR" MEANS A PERSON, OR EMPLOYEE OF SUCH PERSON, HAVING A
39 FINANCIAL INTEREST IN ANY BUSINESS ENTITY ENGAGED IN THE BUSINESS OF OR
40 WHO IS INDIVIDUALLY ENGAGED IN THE BUSINESS OF:

41 (1) BUYING OR SELLING ANY INTEREST IN REAL PROPERTY;

42 (2) MAKING LOANS SECURED BY ANY INTEREST IN REAL PROPERTY; OR

43 (3) ACTING AS A REAL ESTATE BROKER OR AGENT, MORTGAGE LENDER, MORTGAGE
44 BANKER, MORTGAGE BROKER, OR AN AGENT, REPRESENTATIVE OR ATTORNEY OF A
45 PERSON WHICH LEASES, BUYS OR SELLS ANY INTEREST IN, OR WHICH LENDS OR
46 BORROWS MONEY SECURED BY AN INTEREST IN REAL PROPERTY.

47 (H) "PERSON" MEANS AN INDIVIDUAL OR A BUSINESS ENTITY.

48 (I) "REAL PROPERTY" MEANS ANY INTEREST IN REAL OR PERSONAL PROPERTY OR
49 ANY INTEREST IN A UNIT UNDER A PLAN OF COOPERATIVE OWNERSHIP FOR WHICH A
50 TITLE INSURANCE POLICY MAY BE ISSUED IN THIS STATE.

51 (J) "REFERRAL" MEANS THE DIRECTING OR INFLUENCING, OR THE EXERCISING
52 OF ANY POWER TO DIRECT OR INFLUENCE THE PLACEMENT OF TITLE INSURANCE
53 BUSINESS.

1 (K) "SELL" OR "SALE" MEANS TO EXCHANGE A TITLE INSURANCE POLICY BY ANY
2 MEANS, FOR MONEY OR ITS EQUIVALENT, ON BEHALF OF A LICENSED TITLE INSUR-
3 ANCE CORPORATION.

4 (L) "SOLICIT" OR "SOLICITATION" MEANS ATTEMPTING TO SELL TITLE INSUR-
5 ANCE OR ASKING OR URGING A PERSON TO APPLY FOR A PARTICULAR KIND OF
6 TITLE INSURANCE FROM A PARTICULAR LICENSED TITLE INSURANCE CORPORATION.

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

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

16 (1) DETERMINES INSURABILITY AND ISSUES TITLE INSURANCE COMMITMENTS OR
17 POLICIES, OR BOTH, BASED UPON THE PERFORMANCE OR REVIEW OF A TITLE
18 SEARCH; AND

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

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

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

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

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

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

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

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

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

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

55 (D) EVERY LICENSEE SHALL NOTIFY THE SUPERINTENDENT UPON CHANGING HIS,
56 HER OR ITS LEGAL NAME. EXCEPT FOR AN INDIVIDUAL LICENSEE'S OWN LEGAL

1 NAME, NO LICENSEE SHALL USE ANY NAME, IN CONDUCTING A BUSINESS REGULATED
2 BY THIS ARTICLE, THAT HAS NOT BEEN PREVIOUSLY APPROVED BY THE SUPER-
3 INTENDENT.

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

5 (1) A TITLE INSURANCE CORPORATION, OR TO ANY OFFICER OR EMPLOYEE OF
6 SUCH TITLE INSURANCE CORPORATION ACTING IN THEIR CAPACITY AS SUCH IN
7 DISCHARGING THE DUTIES OF THEIR OFFICE OR EMPLOYMENT, OTHER THAN AN
8 ORIGINATOR, NOTWITHSTANDING THE MANNER IN WHICH THE OFFICER OR EMPLOYEE
9 MAY BE COMPENSATED;

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

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

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

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

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

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

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

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

47 (2) AT LEAST ONE SUCH DESIGNATED SUB-LICENSEE OR ATTORNEY MUST HAVE A
48 FINANCIAL INTEREST IN THE LICENSEE. A LICENSE ISSUED TO A BUSINESS ENTI-
49 TY SHALL AUTHORIZE ONLY THE DESIGNATED SUB-LICENSEE OR SUB-LICENSEES OR
50 THE DESIGNATED ATTORNEY OR ATTORNEYS TO ACT ON BEHALF OF THE TITLE
51 INSURANCE AGENT, AND EVERY SUCH DESIGNATED SUB-LICENSEE OR ATTORNEY
52 SHALL BE AUTHORIZED TO ACT ONLY IN THE NAME OF THE LICENSEE.

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

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

(1) AN APPLICATION BY THE PROSPECTIVE LICENSEE IN SUCH FORM OR FORMS AND SUPPLEMENTS, AND CONTAINING INFORMATION THE SUPERINTENDENT PRESCRIBES AND FOR EACH BUSINESS ENTITY, THE SUB-LICENSEE, SUB-LICENSEES, ATTORNEY OR ATTORNEYS NAMED IN THE APPLICATION SHALL BE DESIGNATED RESPONSIBLE FOR THE BUSINESS ENTITY'S COMPLIANCE WITH THE INSURANCE LAWS, RULES AND REGULATIONS OF THIS STATE. THE APPLICATION SHALL INCLUDE THE NAMES AND ADDRESSES OF EACH DESIGNATED SUB-LICENSEE OR ATTORNEY, EACH PERSON THAT HAS A FINANCIAL INTEREST IN THE APPLICANT, AND EACH SUCH PERSON THAT IS OR WILL BE AN ORIGINATOR, AND WITH RESPECT TO EACH SUB-LICENSEE, ATTORNEY AND ORIGINATOR, HIS, HER OR ITS FINANCIAL INTEREST IN THE APPLICANT AND IN EVERY OTHER TITLE INSURANCE AGENT OR INSURANCE AGENT WHOSE LICENSE HAD AT ANY TIME BEEN SUSPENDED OR REVOKED, AND ANY OTHER INFORMATION THE SUPERINTENDENT PRESCRIBES.

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

(E)(1) THE SUPERINTENDENT SHALL, IN ORDER TO DETERMINE THE COMPETENCY OF EVERY INDIVIDUAL APPLICANT AND OF EVERY PROPOSED SUB-LICENSEE OF AN APPLICANT BUSINESS ENTITY TO HAVE THE LICENSE APPLIED FOR, REQUIRE SUCH INDIVIDUAL TO SUBMIT TO A PERSONAL WRITTEN EXAMINATION AND TO PASS THE SAME TO THE SATISFACTION OF THE SUPERINTENDENT. SUCH EXAMINATION SHALL BE HELD AT SUCH TIMES AND PLACES AS THE SUPERINTENDENT SHALL FROM TIME TO TIME DETERMINE. EVERY INDIVIDUAL APPLYING TO TAKE ANY WRITTEN EXAMINATION SHALL, AT THE TIME OF APPLYING THEREFOR, PAY TO THE SUPERINTENDENT, OR, AT THE DISCRETION OF THE SUPERINTENDENT, DIRECTLY TO ANY ORGANIZATION THAT IS UNDER CONTRACT TO PROVIDE EXAMINATION SERVICES, AN EXAMINATION FEE OF AN AMOUNT WHICH IS THE ACTUAL DOCUMENTED ADMINISTRATIVE COST OF CONDUCTING SAID QUALIFYING EXAMINATION AS CERTIFIED BY THE SUPERINTENDENT FROM TIME TO TIME. AN EXAMINATION FEE REPRESENTS AN ADMINISTRATIVE EXPENSE AND IS NOT REFUNDABLE. THE SUPERINTENDENT MAY ACCEPT, IN LIEU OF ANY SUCH EXAMINATION, THE RESULT OF ANY PREVIOUS WRITTEN EXAMINATION, GIVEN BY THE SUPERINTENDENT, WHICH IN HIS OR HER JUDGMENT IS EQUIVALENT TO THE EXAMINATION FOR WHICH IT IS SUBSTITUTED.

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

(F) NO SUCH WRITTEN EXAMINATION SHALL BE REQUIRED:

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

(2) IN CONNECTION WITH ANY CERTIFICATE OF APPOINTMENT FOR AN ADDITIONAL TITLE INSURANCE CORPORATION;

(3) OF ANY APPLICANT WHO HAS PASSED THE WRITTEN EXAMINATION GIVEN BY THE SUPERINTENDENT FOR A TITLE INSURANCE AGENT'S LICENSE AND WAS LICENSED AS SUCH, OR OF AN APPLICANT WHO WAS LICENSED AS A TITLE INSURANCE AGENT BUT DID NOT PASS SUCH AN EXAMINATION, PROVIDED THE APPLICANT APPLIES WITHIN TWO YEARS FOLLOWING THE DATE OF TERMINATION OF HIS OR HER LICENSE; OR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ISSUED, THE SUPERINTENDENT MAY REFUND THE FEE PAID BY THE APPLICANT FOR
2 THE LICENSE APPLIED FOR WITH THE EXCEPTION OF ANY EXAMINATION FEES
3 REQUIRED PURSUANT TO SUBSECTION (E) OF THIS SECTION.

4 (9) AN APPLICATION FOR THE RENEWAL OF A LICENSE SHALL BE FILED WITH
5 THE SUPERINTENDENT NOT LESS THAN SIXTY DAYS PRIOR TO THE DATE THE
6 LICENSE EXPIRES OR THE APPLICANT SHALL BE SUBJECT TO A FURTHER FEE FOR
7 LATE FILING OF TEN DOLLARS.

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

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

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

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

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

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

45 S 2154. TEMPORARY LICENSE IN CASE OF DEATH, SERVICE IN ARMED FORCES OR
46 DISABILITY.

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

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

54 (A) TO THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF SUCH DECEASED
55 AGENT;

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

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

7 (D) TO AN OFFICER OR DIRECTOR OF A CORPORATION UPON THE DEATH OF THE
8 ONLY OFFICER OR DIRECTOR WHO WAS QUALIFIED AS A SUB-LICENSEE OR TO THE
9 EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF SUCH DECEASED OFFICER OR
10 DIRECTOR;

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

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

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

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

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

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

53 (E) (1) IN THE CASE OF A LICENSE OR LICENSES ISSUED PURSUANT TO PARA-
54 GRAPH ONE OF SUBSECTION (A) OF THIS SECTION, THE LICENSE OR LICENSES MAY
55 BE ISSUED FOR A TERM NOT EXCEEDING NINETY DAYS FROM THE DEATH OF SUCH
56 DECEASED, AND THE SUPERINTENDENT MAY IN HIS OR HER DISCRETION RENEW SUCH

1 LICENSE OR LICENSES FOR AN ADDITIONAL TERM OR TERMS OF NINETY DAYS EACH,
2 NOT EXCEEDING IN THE AGGREGATE FIFTEEN MONTHS.

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

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

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

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

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

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

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

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

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

43 S 2155. REVOCATION OR SUSPENSION OF LICENSE OF TITLE INSURANCE AGENT
44 OR CERTIFICATE OF APPOINTMENT OF A SUB-LICENSEE OR AN ATTORNEY ACTING AS
45 A TITLE INSURANCE AGENT. (A) THE SUPERINTENDENT MAY REFUSE TO RENEW,
46 REVOKE, OR MAY SUSPEND FOR A PERIOD THE SUPERINTENDENT DETERMINES THE
47 LICENSE OF ANY TITLE INSURANCE AGENT, IF, AFTER NOTICE AND HEARING, THE
48 SUPERINTENDENT DETERMINES THAT THE LICENSEE OR ANY SUB-LICENSEE HAS:

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

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

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

1 (4)(A) USED FRAUDULENT, COERCIVE OR DISHONEST PRACTICES;
2 (B) DEMONSTRATED INCOMPETENCE;
3 (C) DEMONSTRATED UNTRUSTWORTHINESS; OR
4 (D) DEMONSTRATED FINANCIAL IRRESPONSIBILITY IN THE CONDUCT OF BUSINESS
5 IN THIS STATE OR ELSEWHERE;
6 (5) IMPROPERLY WITHHELD, MISAPPROPRIATED OR CONVERTED ANY MONIES OR
7 PROPERTIES RECEIVED IN THE COURSE OF BUSINESS IN THIS STATE OR ELSE-
8 WHERE;
9 (6) INTENTIONALLY MISREPRESENTED THE TERMS OF AN ACTUAL OR PROPOSED
10 TITLE INSURANCE CONTRACT OR APPLICATION FOR TITLE INSURANCE;
11 (7) HAS BEEN CONVICTED OF A FELONY;
12 (8) ADMITTED OR BEEN FOUND TO HAVE COMMITTED ANY INSURANCE UNFAIR
13 TRADE PRACTICE OR FRAUD;
14 (9) HAD A TITLE INSURANCE AGENT LICENSE, OR AN INSURANCE AGENT
15 LICENSE, OR ITS EQUIVALENT, DENIED, SUSPENDED OR REVOKED IN ANY OTHER
16 STATE, PROVINCE, DISTRICT OR TERRITORY;
17 (10) FORGED ANOTHER'S NAME TO AN APPLICATION FOR TITLE INSURANCE OR
18 FOR ANY OTHER INSURANCE OR TO ANY DOCUMENT RELATED TO A TITLE INSURANCE
19 TRANSACTION OR TO ANY OTHER INSURANCE TRANSACTION;
20 (11) IMPROPERLY USED NOTES OR ANY OTHER REFERENCE MATERIAL TO COMPLETE
21 AN EXAMINATION FOR AN INSURANCE LICENSE;
22 (12) FAILED TO COMPLY WITH AN ADMINISTRATIVE OR COURT ORDER IMPOSING A
23 CHILD SUPPORT OBLIGATION; OR
24 (13) FAILED TO PAY STATE INCOME TAX OR COMPLY WITH ANY ADMINISTRATIVE
25 OR COURT ORDER DIRECTING PAYMENT OF STATE INCOME TAX.
26 (B) BEFORE REVOKING OR SUSPENDING THE LICENSE OF ANY TITLE INSURANCE
27 AGENT PURSUANT TO THE PROVISIONS OF THIS ARTICLE, THE SUPERINTENDENT
28 SHALL, EXCEPT WHEN PROCEEDING PURSUANT TO SUBSECTION (F) OF THIS
29 SECTION, GIVE NOTICE TO THE LICENSEE AND TO EVERY SUB-LICENSEE AND SHALL
30 HOLD, OR CAUSE TO BE HELD, A HEARING NOT LESS THAN TEN DAYS AFTER THE
31 GIVING OF SUCH NOTICE.
32 (C) IF A TITLE INSURANCE AGENT'S LICENSE PURSUANT TO THE PROVISIONS OF
33 THIS ARTICLE IS REVOKED OR SUSPENDED BY THE SUPERINTENDENT, HE OR SHE
34 SHALL FORTHWITH GIVE NOTICE TO THE LICENSEE.
35 (D) THE REVOCATION OR SUSPENSION OF ANY TITLE INSURANCE AGENT'S
36 LICENSE PURSUANT TO THE PROVISIONS OF THIS ARTICLE SHALL TERMINATE
37 FORTHWITH SUCH TITLE INSURANCE AGENT'S LICENSE AND THE AUTHORITY
38 CONFERRED THEREBY UPON ALL SUB-LICENSEES AND ATTORNEYS.
39 (E)(1) NO INDIVIDUAL OR BUSINESS ENTITY, WHOSE LICENSE AS A TITLE
40 INSURANCE AGENT SUBJECT TO SUBSECTION (A) OF THIS SECTION HAS BEEN
41 REVOKED, AND NO BUSINESS ENTITY OF WHICH SUCH INDIVIDUAL IS A MEMBER,
42 OFFICER OR DIRECTOR, SHALL BE ENTITLED TO OBTAIN ANY LICENSE UNDER THE
43 PROVISIONS OF THIS CHAPTER FOR A PERIOD OF ONE YEAR AFTER SUCH REVOCATION,
44 OR, IF SUCH REVOCATION BE JUDICIALLY REVIEWED, FOR ONE YEAR AFTER
45 THE FINAL DETERMINATION THEREOF AFFIRMING THE ACTION OF THE SUPERINTENDENT
46 IN REVOKING SUCH LICENSE.
47 (2) IF ANY SUCH LICENSE HELD BY A BUSINESS ENTITY BE REVOKED, NO
48 MEMBER, OFFICER OR DIRECTOR OF SUCH BUSINESS ENTITY SHALL BE ENTITLED TO
49 OBTAIN ANY LICENSE, OR TO BE NAMED AS A SUB-LICENSEE IN ANY SUCH
50 LICENSE, FOR THE SAME PERIOD OF TIME, UNLESS THE SUPERINTENDENT DETERMINES,
51 AFTER NOTICE AND HEARING, THAT SUCH MEMBER, OFFICER OR DIRECTOR
52 WAS NOT PERSONALLY AT FAULT IN THE MATTER ON ACCOUNT OF WHICH SUCH
53 LICENSE WAS REVOKED.
54 (F) IF ANY LICENSED TITLE INSURANCE AGENT OR ANY PERSON AGGRIEVED
55 SHALL FILE WITH THE SUPERINTENDENT A VERIFIED COMPLAINT SETTING FORTH
56 FACTS TENDING TO SHOW SUFFICIENT GROUND FOR THE REVOCATION OR SUSPENSION

1 OF ANY TITLE INSURANCE AGENT'S LICENSE, THE SUPERINTENDENT SHALL, AFTER
2 NOTICE AND HEARING, DETERMINE WHETHER SUCH LICENSE SHALL BE SUSPENDED OR
3 REVOKED.

4 (G) THE SUPERINTENDENT SHALL RETAIN THE AUTHORITY TO ENFORCE THE
5 PROVISIONS OF AND IMPOSE ANY PENALTY OR REMEDY AUTHORIZED BY THIS CHAP-
6 TER AGAINST ANY INDIVIDUAL OR BUSINESS ENTITY WHO IS UNDER INVESTIGATION
7 FOR OR CHARGED WITH A VIOLATION OF THIS CHAPTER, EVEN IF THE INDIVID-
8 UAL'S OR BUSINESS ENTITY'S LICENSE HAS BEEN SURRENDERED, OR HAS EXPIRED
9 OR HAS LAPSED BY OPERATION OF LAW.

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

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

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

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

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

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

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

55 (C) IN ADDITION TO OR IN LIEU OF REVOKING OR SUSPENDING THE LICENSE OF
56 A LICENSEE OR A CERTIFICATE OF APPOINTMENT OF A SUB-LICENSEE OR AN

1 ATTORNEY IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE, AND IN ADDI-
2 TION TO OR IN LIEU OF ANY PENALTY IMPOSED PURSUANT TO SUBSECTION (A) OF
3 THIS SECTION, THE SUPERINTENDENT MAY REQUIRE A LICENSEE, SUB-LICENSEE OR
4 ATTORNEY TO PAY THE PEOPLE OF THIS STATE A PENALTY IN A SUM EQUAL TO THE
5 TITLE INSURANCE PREMIUM OR OTHER COMPENSATION RECEIVED BY THE PERSON
6 FOUND TO HAVE VIOLATED SECTION TWO THOUSAND ONE HUNDRED FIFTY-FIVE OF
7 THIS ARTICLE, IN CONNECTION WITH ANY TRANSACTION WHICH THE SUPERINTEN-
8 DENT FINDS TO HAVE CONSTITUTED A GROUND FOR SUCH A VIOLATION, EXCEPT
9 THAT SUCH SUM SHALL NOT INCLUDE ANY PORTION OF A PREMIUM DUE TO A TITLE
10 INSURANCE CORPORATION.

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

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

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

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

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

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

44 (1) IF HE OR SHE DETERMINES THAT THE DUTIES AND RESPONSIBILITIES OF
45 SUCH PERSON ARE SUBJECT TO APPROPRIATE SUPERVISION AND THAT SUCH DUTIES
46 AND RESPONSIBILITIES WILL NOT HAVE AN ADVERSE EFFECT UPON THE PUBLIC,
47 OTHER LICENSEES, OR THE LICENSEE PROPOSING EMPLOYMENT OR APPOINTMENT OF
48 SUCH PERSON; OR

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

55 (C) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO THE OWNERSHIP OF
56 SHARES OF ANY CORPORATION LICENSED PURSUANT TO THIS CHAPTER IF THE

1 SHARES OF SUCH CORPORATION ARE PUBLICLY HELD AND TRADED IN THE
2 OVER-THE-COUNTER MARKET OR UPON ANY NATIONAL OR REGIONAL SECURITIES
3 EXCHANGE.

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

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

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

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

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

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

50 (D) EVERY TITLE INSURANCE CORPORATION OR THE AUTHORIZED REPRESENTATIVE
51 OF THE TITLE INSURANCE CORPORATION DOING BUSINESS IN THIS STATE SHALL,
52 UPON TERMINATION OF THE CERTIFICATE OF APPOINTMENT AS SET FORTH IN
53 SUBSECTION (C) OF THIS SECTION OF ANY TITLE INSURANCE AGENT LICENSED IN
54 THIS STATE, OR OF ANY SUB-LICENSEE, OR OF ANY ATTORNEY LICENSED TO PRAC-
55 TICE LAW IN THIS STATE, OR UPON TERMINATION FOR CAUSE FOR ACTIVITIES AS
56 SET FORTH IN SUBSECTION (A) OF SECTION TWO THOUSAND ONE HUNDRED

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

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

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

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

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

1 PROVIDED THAT THE PROPRIETY OF ANY TERMINATION FOR CAUSE IS CERTIFIED IN
2 WRITING BY AN OFFICER OR AUTHORIZED REPRESENTATIVE OF THE TITLE INSUR-
3 ANCE CORPORATION TERMINATING THE RELATIONSHIP.

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

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

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

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

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

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

55 S 2159. COMMISSIONS; PREMIUM SPLITTING AND OTHER PROHIBITED PAYMENTS
56 OR RECEIPTS OF PAYMENTS. (A) NO TITLE INSURANCE CORPORATION DOING BUSI-

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

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

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

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

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

41 (F) A TITLE INSURANCE AGENT SHALL NOT DIRECTLY OR INDIRECTLY ACCEPT
42 ANY PAYMENT FOR OR REIMBURSEMENT OF ANY FEE, FINE OR PENALTY IMPOSED BY
43 THE SUPERINTENDENT ON THE TITLE INSURANCE AGENT PURSUANT TO THIS CHAPTER.
44

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

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

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

(1) THAT THE ORIGINATOR HAS A FINANCIAL INTEREST IN THE TITLE INSURANCE AGENT;

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

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

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

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

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

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

(B) THIS SECTION SHALL NOT REQUIRE ANY SUCH AGENT TO MAINTAIN A SEPARATE BANK DEPOSIT FOR THE FUNDS OF EACH SUCH PRINCIPAL, IF AND AS LONG AS THE FUNDS SO HELD FOR EACH SUCH PRINCIPAL ARE REASONABLY ASCERTAINABLE FROM THE BOOKS OF ACCOUNT AND RECORDS OF SUCH AGENT.

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

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

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

S 2164. STAY OR SUSPENSION OF SUPERINTENDENT'S DETERMINATION. THE COMMENCEMENT OF A PROCEEDING UNDER ARTICLE SEVENTY-EIGHT OF THE CIVIL PRACTICE LAW AND RULES, TO REVIEW THE ACTION OF THE SUPERINTENDENT IN SUSPENDING OR REVOKING OR REFUSING TO RENEW ANY LICENSE UNDER THIS ARTICLE, SHALL STAY SUCH ACTION OF THE SUPERINTENDENT FOR A PERIOD OF THIRTY DAYS. SUCH STAY SHALL NOT BE EXTENDED FOR A LONGER PERIOD UNLESS THE

1 COURT SHALL DETERMINE, AFTER A PRELIMINARY HEARING OF WHICH THE SUPER-
2 INTENDENT IS NOTIFIED FORTY-EIGHT HOURS IN ADVANCE, THAT A STAY OF THE
3 SUPERINTENDENT'S ACTION PENDING THE FINAL DETERMINATION OR FURTHER ORDER
4 OF THE COURT WILL NOT UNDULY INJURE THE INTERESTS OF THE PEOPLE OF THE
5 STATE.

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

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

14 (B) THIS SECTION SHALL NOT APPLY TO:

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

16 (2) ANY LICENSEES AS THE SUPERINTENDENT MAY EXEMPT SUBJECT TO ANY
17 CONTINUING EDUCATION REQUIREMENTS DEEMED APPROPRIATE BY THE SUPERINTEN-
18 DENT.

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

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

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

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

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

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

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

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

(2) ANY PERSON WHOSE LICENSE WAS NOT RENEWED SHALL NOT BE ELIGIBLE TO BECOME RELICENSED DURING THE NEXT BIENNIAL LICENSING PERIOD UNTIL THAT PERSON HAS DEMONSTRATED TO THE SATISFACTION OF THE SUPERINTENDENT THAT CONTINUING EDUCATION REQUIREMENTS FOR THE LAST BIENNIAL LICENSING PERIOD WERE MET.

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

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

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

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

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

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

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

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

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

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

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

(b) The person conducting such hearing shall have power to administer oaths, examine and cross-examine witnesses and receive documentary evidence, and shall report his OR HER findings, orally or in writing, to the superintendent with or without recommendation. Such report, if adopted by the superintendent or by his OR HER authority may be the basis of any determination made by the superintendent or by his OR HER authority. One hundred twenty days after the effective date of a determination of liability for a civil penalty pursuant to section four hundred three, two thousand one hundred two [or], two thousand one hundred thirty-three, TWO THOUSAND ONE HUNDRED FIFTY-SIX OR TWO THOUSAND

1 ONE HUNDRED FIFTY-EIGHT of this chapter, such determination of liability
2 for a civil penalty may be entered as a judgment and enforced, without
3 court proceedings, in the same manner as the enforcement of a money
4 judgment in civil actions in any court of competent jurisdiction or any
5 other place provided for the entry of civil judgment within the state of
6 New York.

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

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

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

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

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

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

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

38 (a) No authorized insurer, no licensed insurance agent, NO LICENSED
39 TITLE INSURANCE AGENT, no licensed insurance broker, and no employee or
40 other representative of any such insurer, agent or broker shall make,
41 procure or negotiate any contract of insurance other than as plainly
42 expressed in the policy or other written contract issued or to be issued
43 as evidence thereof, or shall directly or indirectly, by giving or shar-
44 ing a commission or in any manner whatsoever, pay or allow or offer to
45 pay or allow to the insured or to any employee of the insured, either as
46 an inducement to the making of insurance or after insurance has been
47 effected, any rebate from the premium which is specified in the policy,
48 or any special favor or advantage in the dividends or other benefit to
49 accrue thereon, or shall give or offer to give any valuable consider-
50 ation or inducement of any kind, directly or indirectly, which is not
51 specified in such policy or contract, other than any article of merchan-
52 dise not exceeding fifteen dollars in value which shall have conspicu-
53 ously stamped or printed thereon the advertisement of the insurer, agent
54 or broker, or shall give, sell or purchase, or offer to give, sell or
55 purchase, as an inducement to the making of such insurance or in
56 connection therewith, any stock, bond or other securities or any divi-

1 dends or profits accrued thereon, nor shall the insured, his OR HER
2 agent or representative knowingly receive directly or indirectly, any
3 such rebate or special favor or advantage, provided, however, a licensed
4 insurance agent, A LICENSED TITLE INSURANCE AGENT or a licensed insur-
5 ance broker may retain the usual commission or underwriting fee on
6 insurance placed on his OR HER own property or risks, if the aggregate
7 of such commissions or underwriting fees will not exceed five percent of
8 the total net commissions or underwriting fees received by such licensed
9 insurance agent, LICENSED TITLE INSURANCE AGENT or insurance broker
10 during the calendar year.

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

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