

2013-2014 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 9, 2013

Introduced by M. of A. KAVANAGH, CLARK, WEISENBERG, MARKEY -- Multi-Sponsored by -- M. of A. BENEDETTO, BOYLAND, BRENNAN, BROOK-KRASNY, GALEF, MAISEL, MILLMAN, PRETLOW -- read once and referred to the Committee on Insurance

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.

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

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

7 S 2151. DEFINITIONS. IN THIS ARTICLE:

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

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

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

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

13 (1) DETERMINES INSURABILITY AND ISSUES TITLE INSURANCE COMMITMENTS OR
14 POLICIES, OR BOTH, BASED UPON THE PERFORMANCE OR REVIEW OF A TITLE
15 SEARCH; AND

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

55 (1) AN APPLICATION BY THE PROSPECTIVE LICENSEE IN SUCH FORM OR FORMS
56 AND SUPPLEMENTS, AND CONTAINING INFORMATION THE SUPERINTENDENT

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

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

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

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

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

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

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

55 (3) OF ANY APPLICANT WHO HAS PASSED THE WRITTEN EXAMINATION GIVEN BY
56 THE SUPERINTENDENT FOR A TITLE INSURANCE AGENT'S LICENSE AND WAS

1 LICENSED AS SUCH, OR OF AN APPLICANT WHO WAS LICENSED AS A TITLE INSUR-
2 ANCE AGENT BUT DID NOT PASS SUCH AN EXAMINATION, PROVIDED THE APPLICANT
3 APPLIES WITHIN TWO YEARS FOLLOWING THE DATE OF TERMINATION OF HIS OR HER
4 LICENSE; OR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

51 (A) TO THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF SUCH DECEASED
52 AGENT;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

56 (B) DEMONSTRATED INCOMPETENCE;

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

1 NOTICE AND HEARING, DETERMINE WHETHER SUCH LICENSE SHALL BE SUSPENDED OR
2 REVOKED.

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

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

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

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

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

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

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

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

54 (C) IN ADDITION TO OR IN LIEU OF REVOKING OR SUSPENDING THE LICENSE OF
55 A LICENSEE OR A CERTIFICATE OF APPOINTMENT OF A SUB-LICENSEE OR AN
56 ATTORNEY IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE, AND IN ADDI-

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

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

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

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

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

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

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

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

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

54 (C) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO THE OWNERSHIP OF
55 SHARES OF ANY CORPORATION LICENSED PURSUANT TO THIS CHAPTER IF THE
56 SHARES OF SUCH CORPORATION ARE PUBLICLY HELD AND TRADED IN THE

1 OVER-THE-COUNTER MARKET OR UPON ANY NATIONAL OR REGIONAL SECURITIES
2 EXCHANGE.

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

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

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

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

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

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

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

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

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

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

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

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

1 WRITING BY AN OFFICER OR AUTHORIZED REPRESENTATIVE OF THE TITLE INSUR-
2 ANCE CORPORATION TERMINATING THE RELATIONSHIP.

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

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

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

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

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

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

54 S 2159. COMMISSIONS; PREMIUM SPLITTING AND OTHER PROHIBITED PAYMENTS
55 OR RECEIPTS OF PAYMENTS. (A) NO TITLE INSURANCE CORPORATION DOING BUSI-
56 NESS IN THIS STATE, AND NO AGENT OR OTHER REPRESENTATIVE THEREOF, EXCEPT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

51 S 2164. STAY OR SUSPENSION OF SUPERINTENDENT'S DETERMINATION. THE
52 COMMENCEMENT OF A PROCEEDING UNDER ARTICLE SEVENTY-EIGHT OF THE CIVIL
53 PRACTICE LAW AND RULES, TO REVIEW THE ACTION OF THE SUPERINTENDENT IN
54 SUSPENDING OR REVOKING OR REFUSING TO RENEW ANY LICENSE UNDER THIS ARTI-
55 CLE, SHALL STAY SUCH ACTION OF THE SUPERINTENDENT FOR A PERIOD OF THIRTY
56 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.

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

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

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

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

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

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

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

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

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

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

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

45 S 3. Subsections (a) and (b) of section 2324 of the insurance law,
46 subsection (a) as amended by chapter 291 of the laws of 2012, are
47 amended to read as follows:

48 (a) No authorized insurer, no licensed insurance agent, NO LICENSED
49 TITLE INSURANCE AGENT, no licensed insurance broker, and no employee or
50 other representative of any such insurer, agent or broker shall make,
51 procure or negotiate any contract of insurance other than as plainly
52 expressed in the policy or other written contract issued or to be issued
53 as evidence thereof, or shall directly or indirectly, by giving or shar-
54 ing a commission or in any manner whatsoever, pay or allow or offer to
55 pay or allow to the insured or to any employee of the insured, either as
56 an inducement to the making of insurance or after insurance has been

1 effected, any rebate from the premium which is specified in the policy,
2 or any special favor or advantage in the dividends or other benefit to
3 accrue thereon, or shall give or offer to give any valuable consider-
4 ation or inducement of any kind, directly or indirectly, which is not
5 specified in such policy or contract, other than any valuable consider-
6 ation, including but not limited to merchandise or periodical
7 subscriptions, not exceeding twenty-five dollars in value, or shall
8 give, sell or purchase, or offer to give, sell or purchase, as an
9 inducement to the making of such insurance or in connection therewith,
10 any stock, bond or other securities or any dividends or profits accrued
11 thereon, nor shall the insured, his agent or representative knowingly
12 receive directly or indirectly, any such rebate or special favor or
13 advantage, provided, however, a licensed insurance agent, A LICENSED
14 TITLE INSURANCE AGENT or a licensed insurance broker may retain the
15 usual commission or underwriting fee on insurance placed on his OR HER
16 own property or risks, if the aggregate of such commissions or under-
17 writing fees will not exceed five percent of the total net commissions
18 or underwriting fees received by such licensed insurance agent, LICENSED
19 TITLE INSURANCE AGENT or insurance broker during the calendar year.

20 (b) Within the meaning of subsection (a) [hereof] OF THIS SECTION, the
21 sharing of a commission with the insured shall be deemed to include any
22 case in which a licensed insurance agent, LICENSED TITLE INSURANCE AGENT
23 or a licensed insurance broker which is a subsidiary corporation of, or
24 a corporation affiliated with, any corporation insured, received commis-
25 sions for the negotiation or procurement of any policy or contract of
26 insurance for the insured.

27 S 4. This act shall take effect July 1, 2014; provided, however, that
28 subsections (a) and (b) of section 2152 of the insurance law, as added
29 by section one of this act, shall take effect January 1, 2015; provided,
30 further, that effective immediately the superintendent of financial
31 services is authorized to promulgate such rules and regulations and take
32 any other measures as may be necessary for the timely implementation of
33 this act.