AN ACT to amend the insurance law, in relation to the prohibition of commissions and rebates

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subsection (d) of section 6409 of the insurance law, as amended by section 17 of part V of chapter 57 of the laws of 2014, is amended to read as follows:

(d) No title insurance corporation, title insurance agent, or any other person acting for or on behalf of the title insurance corporation or title insurance agent, shall offer or make, directly or indirectly, any rebate of any portion of the fee, premium or charge made, or pay or give to any applicant, or to any person, firm, or corporation acting as agent, representative, attorney, or employee of the owner, lessee, mortgagee or the prospective owner, lessee, or mortgagee of the real property or anyone having any interest in real property knowingly receive, directly or indirectly, any such rebate or other consideration or valuable thing. Any person or entity who violates this section shall be subject to a penalty of 

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.
nantely for residential purposes, and which consists of not more than
four dwelling units, other than hotels and motels, an amount not to
exceed the compensation or rebate received or paid, when such applicant
knew that it was a violation to receive such rebate, or other consider-
ation or valuable thing; provided, however, if such applicant did not
know that it was a violation to receive such rebate, or other consider-
ation or valuable thing, he or she shall not be assessed a penalty under
this subdivision.

(2) For the purposes of this subsection, "an inducement for, or as
compensation for, any title insurance business" shall mean a benefit
given with the intention to compensate or offer compensation, directly
or indirectly, for any past or present placement for a particular piece
of title insurance business to any applicant, or person, firm, or corpo-
ration acting as agent, representative, attorney, or employee of the
owner, lessee, mortgagee or the prospective owner, lessee, or mortgagee
of the real property or any interest therein. Nothing contained in para-
graph one of this subsection to the contrary shall prohibit any title
insurance corporation or title insurance agent, or any other person
acting for or on behalf of the title insurance corporation or title
insurance agent, from undertaking any usual and customary marketing
activity aimed at acquainting present and prospective customers with the
advantages of using a particular title insurer or title insurance agent
that are not intended for the purpose of a reward for the future place-
ment of, or the past placement, of a particular piece of title insurance
business.

§ 2. This act shall take effect immediately.