

# STATE OF NEW YORK

374

2021-2022 Regular Sessions

## IN ASSEMBLY

(Prefiled)

January 6, 2021

Introduced by M. of A. CAHILL, FAHY, WEPRIN, RA, MONTESANO, TAYLOR --  
read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to allowable expenses for  
title insurance corporations and title insurance agents

The People of the State of New York, represented in Senate and Assem-  
bly, 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) (1) 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, mort-  
gagee or the prospective owner, lessee, or mortgagee of the real proper-  
ty or any interest therein, either directly or indirectly, any commis-  
sion, any part of its fees or charges, or any other consideration or  
valuable thing, as an inducement for, or as compensation for, any title  
insurance business, nor shall any applicant, or any person, firm, or  
corporation acting as agent, representative, attorney, or employee of  
the owner, lessee, mortgagee or of 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 [~~(1)~~] (i) five thousand  
dollars; or [~~(2)~~] (ii) up to ten times the amount of any compensation or  
rebate received or paid in the case of a title insurance corporation or  
title insurance agent; or [~~(3)~~] (iii) up to five times the amount of any  
compensation or rebate received or paid; or [~~(4)~~] (iv) in the case of an

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

LBD01667-01-1

1 applicant for title insurance that covers real property used predomi-  
2 nantly for residential purposes, and which consists of not more than  
3 four dwelling units, other than hotels and motels, an amount not to  
4 exceed the compensation or rebate received or paid, when such applicant  
5 knew that it was a violation to receive such rebate, or other consider-  
6 ation or valuable thing; provided, however, if such applicant did not  
7 know that it was a violation to receive such rebate, or other consider-  
8 ation or valuable thing, he or she shall not be assessed a penalty under  
9 this ~~[subdivision]~~ subsection.

10 (2) Nothing contained in paragraph one of this subsection to the  
11 contrary shall prohibit any title insurance corporation or title insur-  
12 ance agent, or any other person acting for or on behalf of the title  
13 insurance corporation or title insurance agent, from undertaking any  
14 usual and customary marketing activity aimed at acquainting present and  
15 prospective customers with the advantages of using a particular title  
16 insurer or title insurance agent that are not intended for the purpose  
17 of a reward for the future placement of, or the past placement, of a  
18 particular piece of title insurance business, including the following  
19 expressly permitted activities:

20 (i) Advertising or marketing in any publication, event or media, at  
21 market rates, including sponsorships, advertising gifts, promotional  
22 items and consumables;

23 (ii) Meals and beverages with present or prospective customers where  
24 one or more employees or representatives of the title insurance corpo-  
25 ration or title insurance agent are present and title insurance business  
26 is discussed;

27 (iii) Continuing legal education course materials or instruction; and  
28 (iv) Charitable contributions in the name of the title insurance  
29 corporation or title insurance agent.

30 Notwithstanding the provisions of this paragraph, no title insurance  
31 corporation or title insurance agent, or any other person acting for or  
32 on behalf of a title insurance corporation or title insurance agent  
33 shall undertake any expenses for providing vacations, trips, travel,  
34 gifts, gift cards, gift certificates or other thing of specific monetary  
35 value to any present and prospective customers.

36 § 2. This act shall take effect immediately.