§ 6403. Management and powers of title insurance corporation. (a) The business and affairs of every title insurance corporation shall be managed under the direction of its board of directors.

(b) Every title insurance corporation shall, subject to the exceptions and restrictions contained in this chapter, have power to do, in addition to the powers granted by the business corporation law, only the following kinds or any of the kinds of business, of which those specified in paragraphs one and two hereof shall be deemed doing an insurance business:

(1) To make and to guarantee the correctness of searches for all instruments affecting titles to real property, chattels real, and cooperative units and proprietary leases, and for all liens or charges affecting the same.

(2) To issue title insurance policies.

(3) To examine titles to real property and chattels real and to procure and furnish information in relation thereto and to personal property used in connection therewith.

(4) To invest in, purchase and sell mortgages upon improved and unencumbered real property appraised for at least fifty per centum more than the amount loaned thereon or obligations secured by such mortgages or senior participations or interests therein, without guaranteeing the performance of any contract in respect thereto or the guaranteeing of payment of taxes, penalties, foreclosure costs or other expenses with respect to the same. "Senior participation", in this section, means all that portion or portions of the obligation secured by a first mortgage which has legal priority over all other portion or portions of such obligation, known as junior participation.

(5) To invest in or acquire for resale, (i) obligations secured by a mortgage (including any part of an issue of such obligations) which are insured or committed to be insured by the Federal Housing Administrator, or (ii) debentures lawfully issued by the Federal Housing Administrator.

(6) To act as agent in fact for investors in, and the holders of, mortgages or obligations mentioned in paragraphs four and five hereof, and interests therein, in the purchase, sale and servicing thereof; to act as agent in fact for investors in supervising and inspecting land and buildings for the purpose of loans to be made thereon, and in recommending, without any guaranty or similar undertaking as to the

amounts of such loans and amounts to be advanced thereon, but not to engage in the business of making real estate appraisals.

(c) No title insurance corporation doing business in this state shall expose itself to any loss on any one risk in an amount exceeding the sum of its capital, surplus, statutory premium and any voluntary reserves, all as shown in its most recent quarterly or annual statement filed with the superintendent. Any risk or portion thereof which shall have been reinsured with an assuming insurer authorized to do such business in this state shall be deducted in determining the limitation of risk prescribed in this subsection. Credit to the ceding insurer for reinsurance with an unauthorized insurer shall be allowed to the extent permitted by a regulation of the superintendent.