§ 6409. Filing of policy forms; rates; classification of risks; commissions and rebates prohibited. (a) No title insurance policy shall be issued or delivered in this state, unless it has been filed with the superintendent in accordance with article twenty-three of this chapter.

(b) Title insurance rates and rate filings shall be subject to article twenty-three of this chapter.

(c) Notwithstanding any other provision of this article, every title insurance corporation shall offer, at or prior to title closing, an optional policy form that insures the title of owner-occupied real property used predominantly for residential purposes that consists of not more than four dwelling units for an amount equal to the market value of the property at the time a loss is discovered. Such policy form shall be filed with, and approved by, the superintendent in accordance with article twenty-three of this chapter. Rates for such coverage shall be filed and approved pursuant to article twenty-three of this chapter.

(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 any interest therein, either directly or indirectly, any commission, 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) five thousand dollars; or (2) 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) up to five times the amount of any compensation or rebate received or paid; or (4) in the case of an applicant for title insurance that covers real property used predominantly 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 consideration or valuable thing; provided, however, if such applicant did not know that it was a violation to receive such rebate, or other consideration or valuable thing, he or she shall not be assessed a penalty under this subdivision.

(e) Premium rates for coverage shall fully reflect the foregoing prohibitions of subsection (d) of this section.