HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1767 By: Russ

COMMITTEE SUBSTITUTE

An Act relating to title insurers; amending 36 O.S. 2011, Section 5001, which relates to issuing title insurance; modifying who is authorized to countersign title insurance policy; defining term; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 36 O.S. 2011, Section 5001, is amended to read as follows:

Section 5001. A. Any foreign or domestic stock insurer authorized by its corporate charter to engage in business as a title insurer shall be entitled to the issuance of a certificate of authority as a title insurer in this state upon meeting the applicable requirements of Article 6, Authorization of Insurers and General Requirements, of the Oklahoma Insurance Code, except that existing title insurers may have their certificate of authority

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~~Strike thru~~ language denotes deletion from present Statutes.

renewed by maintaining surplus in regard to policyholders of not less than Five Hundred Thousand Dollars ($500,000.00).

B. A person engaged in the business of preparing or issuing abstracts of, but not guaranteeing or insuring, title to property, or a person acting only as agent for a title insurer, shall not be deemed to be a title insurer.

C. Every policy of title insurance ~~or certificate of title~~ issued by any insurance company authorized to do business in this state shall be countersigned by some person, partnership, corporation or agency actively engaged in the ~~abstract of~~ real estate title business ~~in Oklahoma as defined and provided in the Oklahoma Abstractors Law or by an attorney licensed to practice in the State of Oklahoma~~, who is a duly appointed ~~as~~ agent of a title insurance company~~,~~ authorized to do business in the state; provided, that no policy of title insurance shall be issued in the State of Oklahoma except:

1. After examination by an attorney licensed to practice in this state of a duly certified abstract extension or supplemental abstract prepared by an abstractor licensed in the county where the property is located, from a certified abstract plant in the county where the property is located or per a temporary certificate of authority as provided in Section ~~6~~ 33 of ~~this act~~ Title 1 of the Oklahoma Statutes, from the effective date of a prior owner's policy

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of title insurance issued by a title insurer licensed in this state provided by the insured pursuant to the policy at the time a valid order is placed pursuant to the provisions of the Oklahoma Abstractors Law brought forward to the effective date of the abstract plant. Subject to the conditions and stipulations, the exclusions from coverage, exceptions from coverage and endorsements to the policy, any policy issued based on a prior owner's policy and a supplemental abstract shall insure the insured against loss or damage sustained or incurred by reason of unmarketability of title from sovereignty to the effective date of the policy, not to exceed the amount of insurance stated in the policy; or

2. If the previously insured owner does not provide a copy of the owner's policy of title insurance, then a title insurance policy may be issued after examination by an attorney licensed to practice in this state of a duly certified abstract of title prepared by a bonded and licensed abstractor as defined in the Oklahoma Abstractors Law.

D. As used in subsections B and C of this section, the term "agent" shall mean a person authorized to act on behalf of or in place of another.

SECTION 2. This act shall become effective November 1, 2013.

COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 02/18/2013 - DO PASS, As Amended.

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