

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

HOUSE BILL 2303

By: McCall

AS INTRODUCED

An Act relating to title insurance; amending 36 O.S. 2011, Section 5001, as amended by Section 1, Chapter 64, O.S.L. 2013 (36 O.S. Supp. 2016, Section 5001), which relates to issuance of title insurance; removing requirement that attorney examine certified abstract or supplemental abstract of title; requiring title insurance company conduct reasonable examination of title and make determination of insurability; requiring evidence of examination and determination be retained for certain period of time; 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, as amended by Section 1, Chapter 64, O.S.L. 2013 (36 O.S. Supp. 2016, 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

1 existing title insurers may have their certificate of authority
2 renewed by maintaining surplus in regard to policyholders of not
3 less than Five Hundred Thousand Dollars (\$500,000.00).

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

8 C. Every policy of title insurance issued by any insurance
9 company authorized to do business in this state shall be
10 countersigned by some person, partnership, corporation or agency
11 actively engaged in the real estate title business and maintaining
12 an office in the state, who is a duly appointed agent of a title
13 insurance company holding a valid license and authorized to do
14 business in the state; provided, that no policy of title insurance
15 shall be issued in the State of Oklahoma ~~except:~~

16 ~~1. After examination by an attorney licensed to practice in~~
17 ~~this state of a duly certified abstract extension or supplemental~~
18 ~~abstract prepared by an abstractor licensed in the county where the~~
19 ~~property is located, from a certified abstract plant in the county~~
20 ~~where the property is located or per a temporary certificate of~~
21 ~~authority as provided in Section 33 of Title 1 of the Oklahoma~~
22 ~~Statutes, from the effective date of a prior owner's policy of title~~
23 ~~insurance issued by a title insurer licensed in this state provided~~
24 ~~by the insured pursuant to the policy at the time a valid order is~~

1 ~~placed pursuant to the provisions of the Oklahoma Abstractors Law~~
2 ~~brought forward to the effective date of the abstract plant.~~
3 ~~Subject to the conditions and stipulations, the exclusions from~~
4 ~~coverage, exceptions from coverage and endorsements to the policy,~~
5 ~~any policy issued based on a prior owner's policy and a supplemental~~
6 ~~abstract shall insure the insured against loss or damage sustained~~
7 ~~or incurred by reason of unmarketability of title from sovereignty~~
8 ~~to the effective date of the policy, not to exceed the amount of~~
9 ~~insurance stated in the policy; or~~

10 2. ~~If the previously insured owner does not provide a copy of~~
11 ~~the owner's policy of title insurance, then a title insurance policy~~
12 ~~may be issued after examination by an attorney licensed to practice~~
13 ~~in this state of a duly certified abstract of title prepared by a~~
14 ~~bonded and licensed abstractor as defined in the Oklahoma~~
15 ~~Abstractors Law~~ unless and until the title insurance company or its
16 title agent has caused to be conducted a reasonable examination of
17 title and has caused to be made a determination of insurability of
18 title in accordance with sound underwriting practices. Evidence of
19 the examination of title and determination of insurability shall be
20 preserved and retained in the files of the title insurer or its
21 title agent for a period of not less than fifteen (15) years after
22 the title insurance policy has been issued.
23
24

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

4 SECTION 2. This act shall become effective November 1, 2017.
5

6 56-1-5632 AMM 01/12/17
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24