

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 HOUSE BILL 2941

By: Mulready

6 AS INTRODUCED

7 An Act relating to insurance; amending 36 O.S. 2011,
8 Section 5001, as last amended by Section 2, Chapter
148, O.S.L. 2017 (36 O.S. Supp. 2017, Section 5001),
9 which relates to title insurers; removing requirement
that certain policy of title insurance be provided by
10 certain insured person; requiring title insurance
agent to execute certain form when issuing certain
11 policy; requiring certain form be filed for record
with the county clerk and transmit copy to the
12 insured; removing requirement that certain requests
be in writing; modifying content requirements for
copies of certain policies provided upon request;
13 requiring the Oklahoma Insurance Department to
maintain and make available certain contact
14 information; directing Insurance Commissioner to
promulgate rules; and providing an effective date.
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17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. AMENDATORY 36 O.S. 2011, Section 5001, as
19 last amended by Section 2, Chapter 148, O.S.L. 2017 (36 O.S. Supp.
20 2017, Section 5001), is amended to read as follows:

21 Section 5001. A. Any foreign or domestic stock insurer
22 authorized by its corporate charter to engage in business as a title
23 insurer shall be entitled to the issuance of a certificate of
24 authority as a title insurer in this state upon meeting the

1 applicable requirements of Article 6, Authorization of Insurers and
2 General Requirements, of the Oklahoma Insurance Code, except that
3 existing title insurers may have their certificate of authority
4 renewed by maintaining surplus in regard to policyholders of not
5 less than Five Hundred Thousand Dollars (\$500,000.00).

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

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

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

1 insurance issued by a title insurer licensed in this state ~~provided~~
2 ~~by the insured pursuant to the policy at the time a valid order is~~
3 ~~placed pursuant to the provisions of the Oklahoma Abstractors Law~~
4 ~~brought forward to the effective date of the abstract plant.~~

5 Subject to the conditions and stipulations, the exclusions from
6 coverage, exceptions from coverage and endorsements to the policy,
7 any policy issued based on a prior owner's policy and a supplemental
8 abstract shall insure the insured against loss or damage sustained
9 or incurred by reason of unmarketability of title from sovereignty
10 to the effective date of the policy, not to exceed the amount of
11 insurance stated in the policy; or

12 2. ~~If the previously insured owner does not provide a copy of~~
13 ~~the~~ no prior owner's policy of title insurance exists, then a title
14 insurance policy may be issued after examination by an attorney
15 licensed to practice in this state of a duly certified abstract of
16 title prepared by a bonded and licensed abstractor as defined in the
17 Oklahoma Abstractors Law.

18 D. Every duly appointed agent of a title insurance company that
19 countersigns and issues an owner's policy of title insurance on
20 behalf of the title insurance company shall, immediately thereafter,
21 complete and execute a Notification of Owner's Policy on a form to
22 be promulgated by the Oklahoma Insurance Department, which form
23 shall contain, at a minimum, spaces for the name of the owner, the
24 legal description of the property, the identity of the title

1 insurance company underwriting the policy, the policy number and the
2 date of issuance. Within thirty (30) days of the issuance of said
3 owner's policy of title insurance, the agent executing a
4 Notification of Owner's Policy shall cause the same to be filed for
5 record in the land records of the county clerk of the county in
6 which the subject land is situated and shall also transmit a copy
7 thereof by mail, fax, email or personal delivery to the insured
8 owner.

9 E. If the current owner or the owner's authorized agent
10 requests, ~~in writing,~~ a copy of any previously issued owner's
11 policy, the licensed title producer or the underwriting title
12 insurance company that issued the policy shall provide the
13 requesting party with a complete copy of the subject policy,
14 including all schedules ~~in the previously issued policy~~ without
15 delay.

16 F. The Oklahoma Insurance Department shall maintain, for each
17 title insurance company holding a valid license and authorized to do
18 business in the state, contact information for the office or person
19 responsible for making available copies of owner's policies pursuant
20 to this statute and will make such contact information generally
21 available to the public on its Internet website and by telephone
22 request and shall require prompt responses by all title insurance
23 companies to requests made pursuant to this statute.

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

4 H. The Oklahoma Insurance Commissioner shall promulgate rules
5 as may be necessary to carry out the provisions of this section.

6 SECTION 2. This act shall become effective November 1, 2018.

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