

HB 124 -- Title Insurance

Sponsor: Ward

The bill makes changes to and reorganizes the Missouri Title Insurance Act. In its main provisions, the act:

- (1) Expands the definitions section;
- (2) Requires a title insurer or title agent issuing a lender's title insurance policy, when no owner's policy has been requested, to give written notice to a purchaser/mortgagor that the lender's policy does not protect the purchaser;
- (3) Requires a written contract setting forth the allocation of responsibilities between a title insurer and a title insurance agent and delineates the title insurer's supervisory responsibilities regarding title insurance agents;
- (4) Permits a title insurer or title insurance agent to operate as an escrow, security, settlement, or closing agent if certain listed requirements are complied with or met;
- (5) Lists the actions the Director of the Department of Insurance may take or penalties that may be imposed against title insurers or title insurance agents that violate the title insurance laws;
- (6) Prohibits an insurer that transacts any other class, type, or kind of business from obtaining a title insurance license, except that a title insurer can issue closing or settlement protection;
- (7) Requires domestic and foreign title insurers to file an actuarial certificate with the required annual audited financial report and to establish a supplemental reserve accordingly;
- (8) Subjects all title insurers to the Missouri Uniform Insurers Liquidation Act;
- (9) Prohibits the use of listed title insurance forms unless the forms have been approved by the director;
- (10) Permits a title insurer to meet its obligations regarding premium and form filing by becoming a member of or subscriber to a rate service company organized and licensed under the act;
- (11) Sets forth procedures for hearings and review of rate filings;

(12) Sets forth requirements for the establishment and licensure of a rate service company; and

(13) Requires all title insurance agents to be licensed, lists the responsibilities and obligations for licensure, and details title insurance continuing education requirements.