

HB 2026 -- Title Insurance

Sponsor: Kratky

This bill requires title insurers to conduct annual onsite reviews of any title insurance agency or agent with whom they have a contract. The insurer will review the agency's or agent's contracts, financial statements, management practices, and procedures. The Director of the Department of Insurance will be provided with a copy of each report. Title agencies or agents are prohibited from denying reasonable access during a review.

A title insurer is liable for the defalcation (default), conversion, or misappropriation of funds held in trust by a licensed title insurance agent or agency who is acting as an agent for the insurer. If more than one title insurer is involved, the insurer or insurers having coverage prior to the illegal act will be liable.

The department director can establish a fee of up to \$2 per title insurance policy to be deposited into the Department of Insurance Dedicated Fund for expenditures relating to the bill.