



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB1667

Introduced 2/9/2017, by Sen. William R. Haine

SYNOPSIS AS INTRODUCED:

215 ILCS 155/6
215 ILCS 155/8

from Ch. 73, par. 1406
from Ch. 73, par. 1408

Amends the Title Insurance Act. In provisions concerning reinsurance, provides that a title insurance company may obtain reinsurance for all or any part of its liability under one or more of its title insurance policies from an assuming insurer with a financial strength rating of A- or better from A.M. Best Company, Inc., or with an alternative rating the Department of Insurance may approve that the Department determines is an equivalent rating by another recognized rating organization. In provisions concerning retained liability, provides that the net retained liability of a title insurance company for a single risk on property located in the State, whether assumed directly or as reinsurance, may not exceed the total surplus (rather than 50% of the total surplus) to policyholders as shown in the most recent annual statement of the title insurance company on file with the Department. Provides that each title insurance company shall file annually with the Department a notice describing its professional reinsurance business, if any, and describing how risks are placed through reinsurance outside of the title insurance industry.

LRB100 10711 SMS 20940 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Title Insurance Act is amended by changing
5 Sections 6 and 8 as follows:

6 (215 ILCS 155/6) (from Ch. 73, par. 1406)

7 Sec. 6. Reinsurance.

8 (a) A title insurance company may obtain reinsurance for
9 all or any part of its liability under one or more of its title
10 insurance policies or reinsurance agreements and may also
11 reinsure title insurance policies issued by other title
12 insurance companies on risks located in this State or
13 elsewhere.

14 (a-5) Notwithstanding any other provision of this Act, a
15 title insurance company may obtain reinsurance for all or any
16 part of its liability under one or more of its title insurance
17 policies from an assuming insurer with a financial strength
18 rating of A- or better from A.M. Best Company, Inc., or with an
19 alternative rating the Department may approve that the
20 Department determines is an equivalent rating by another
21 recognized rating organization.

22 (b) A title insurance company licensed to do business in
23 this State shall retain at least \$100,000 of primary liability

1 for policies it issues, unless a lesser sum is authorized by
2 the Secretary. A lesser sum may be retained at the request of
3 an insured for a particular policy. This subsection (b) applies
4 only to policies issued on or after the effective date of this
5 amendatory Act of the 94th General Assembly.

6 (Source: P.A. 94-893, eff. 6-20-06.)

7 (215 ILCS 155/8) (from Ch. 73, par. 1408)

8 Sec. 8. Retained liability.

9 (a) The net retained liability of a title insurance company
10 for a single risk on property located in this State, whether
11 assumed directly or as reinsurance, may not exceed ~~50% of~~ the
12 total surplus to policyholders as shown in the most recent
13 annual statement of the title insurance company on file with
14 the Department.

15 (b) The Secretary may waive the limitation of this Section
16 for a particular risk upon application of the title insurance
17 company and for good cause shown.

18 (c) Each title insurance company shall file annually with
19 the Department a notice describing its professional
20 reinsurance business, if any, and describing how risks are
21 placed through reinsurance outside of the title insurance
22 industry.

23 (Source: P.A. 94-893, eff. 6-20-06.)