

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, 8, and 13 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 (Source: P.A. 94-893, eff. 6-20-06.)

19 (215 ILCS 155/13) (from Ch. 73, par. 1413)

20 Sec. 13. Annual statement.

21 (a) Each title insurance company shall file with the
22 Department during the month of March of each year, a statement
23 under oath, of the condition of such company on the
24 thirty-first day of December next preceding disclosing the

1 assets, liabilities, earnings and expenses of the company. The
2 report shall be in such form and shall contain such additional
3 statements and information as to the affairs, business, and
4 conditions of the company as the Secretary may from time to
5 time prescribe or require.

6 (b) By June 1 of each year, a title insurance company must
7 file with the Department a copy of its most recent audited
8 financial statements.

9 (c) If determined to be necessary and appropriate by the
10 Department, a title insurance company shall provide a summary
11 describing its professional reinsurance placed outside of the
12 title insurance industry.

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