



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB0207

Introduced 2/17/2021, by Sen. Omar Aquino

SYNOPSIS AS INTRODUCED:

See Index

Amends the Title Insurance Act. Provides that it is unlawful for any person or legal entity to act as or hold itself out to be a title insurance agent without procuring a title insurance license from the Secretary of Financial and Professional Regulation. Provides that every title insurance agent shall pay specified fees. Provides requirements concerning eligibility for title insurance licensure. Grants the Department of Financial and Professional Regulation rulemaking authority for alternate methods of obtaining errors and omissions insurance. Provides requirements concerning rate and service fee filing requirements. Provides that the Secretary shall examine rating organizations at least once every 5 years. Provides that the Secretary may impose a penalty of not more than \$5,000 for willful violations of the Act. Provides that the Secretary shall submit a report to the Governor and General Assembly no later than January 1, 2027 regarding separate filings for multiple geographic zones. Provides grounds by which the Secretary may refuse to grant, or suspend or revoke any license issued under the Act or impose a fine. Repeals a provision concerning the Secretary's authority to adjust certain fees. Makes other changes. Effective immediately, except the provisions concerning rate and service fee filing requirements take effect September 1, 2022.

LRB102 13076 BMS 18419 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 3, 5, 12, 14, 16, 18, and 21 and by adding Section
6 18.2 as follows:

7 (215 ILCS 155/3) (from Ch. 73, par. 1403)

8 Sec. 3. As used in this Act, the words and phrases
9 following shall have the following meanings unless the context
10 requires otherwise:

11 (1) "Title insurance business" or "business of title
12 insurance" means:

13 (A) Issuing as insurer or offering to issue as insurer
14 title insurance; and

15 (B) Transacting or proposing to transact one or more
16 of the following activities when conducted or performed in
17 contemplation of or in conjunction with the issuance of
18 title insurance;

19 (i) soliciting or negotiating the issuance of
20 title insurance;

21 (ii) guaranteeing, warranting, or otherwise
22 insuring the correctness of title searches for all
23 instruments affecting titles to real property, any

1 interest in real property, cooperative units and
2 proprietary leases, and for all liens or charges
3 affecting the same;

4 (iii) handling of escrows, settlements, or
5 closings;

6 (iv) executing title insurance policies;

7 (v) effecting contracts of reinsurance;

8 (vi) abstracting, searching, or examining titles;

9 or

10 (vii) issuing insured closing letters or closing
11 protection letters;

12 (C) Guaranteeing, warranting, or insuring searches or
13 examinations of title to real property or any interest in
14 real property, with the exception of preparing an
15 attorney's opinion of title; or

16 (D) Guaranteeing or warranting the status of title as
17 to ownership of or liens on real property and personal
18 property by any person other than the principals to the
19 transaction; or

20 (E) Doing or proposing to do any business
21 substantially equivalent to any of the activities listed
22 in this subsection, provided that the preparation of an
23 attorney's opinion of title pursuant to paragraph (1)(C)
24 is not intended to be within the definition of "title
25 insurance business" or "business of title insurance".

26 (1.5) "Title insurance" means insuring, guaranteeing,

1 warranting, or indemnifying owners of real or personal
2 property or the holders of liens or encumbrances thereon or
3 others interested therein against loss or damage suffered by
4 reason of liens, encumbrances upon, defects in, or the
5 unmarketability of the title to the property; the invalidity
6 or unenforceability of any liens or encumbrances thereon; or
7 doing any business in substance equivalent to any of the
8 foregoing. "Warranting" for purpose of this provision shall
9 not include any warranty contained in instruments of
10 encumbrance or conveyance. Title insurance is a single line
11 form of insurance, also known as monoline. An attorney's
12 opinion of title pursuant to paragraph (1)(C) is not intended
13 to be within the definition of "title insurance".

14 (2) "Title insurance company" means any domestic company
15 organized under the laws of this State for the purpose of
16 conducting the business of title insurance and any title
17 insurance company organized under the laws of another State,
18 the District of Columbia or foreign government and authorized
19 to transact the business of title insurance in this State.

20 (3) "Title insurance agent" means a person, firm,
21 partnership, association, corporation, or other legal entity
22 licensed under this Act ~~registered by a title insurance~~
23 ~~company~~ and authorized by a title insurance ~~such~~ company to
24 determine insurability of title in accordance with generally
25 acceptable underwriting rules and standards in reliance on
26 either the public records or a search package prepared from a

1 title plant, or both, and authorized by such title insurance
2 company in addition to do any of the following: act as an
3 escrow agent pursuant to subsections (f), (g), and (h) of
4 Section 16 of this Act, solicit title insurance, collect
5 premiums, or issue title insurance commitments, policies, and
6 endorsements of the title insurance company; provided,
7 however, the term "title insurance agent" shall not include
8 officers and salaried employees of any title insurance
9 company.

10 (4) "Producer of title business" is any person, firm,
11 partnership, association, corporation or other legal entity
12 engaged in this State in the trade, business, occupation or
13 profession of (i) buying or selling interests in real
14 property, (ii) making loans secured by interests in real
15 property, or (iii) acting as broker, agent, attorney, or
16 representative of natural persons or other legal entities that
17 buy or sell interests in real property or that lend money with
18 such interests as security.

19 (5) "Associate" is any firm, association, partnership,
20 corporation or other legal entity organized for profit in
21 which a producer of title business is a director, officer, or
22 partner thereof, or owner of a financial interest, as defined
23 herein, in such entity; any legal entity that controls, is
24 controlled by, or is under common control with a producer of
25 title business; and any natural person or legal entity with
26 whom a producer of title business has any agreement,

1 arrangement, or understanding or pursues any course of conduct
2 the purpose of which is to evade the provisions of this Act.

3 (6) "Financial interest" is any ownership interest, legal
4 or beneficial, of more than 1% in a privately held or ~~except~~
5 ~~ownership of publicly traded~~ company ~~stock~~.

6 (7) "Refer" means to place or cause to be placed, or to
7 exercise any power or influence over the placing of title
8 business, whether or not the consent or approval of any other
9 person is sought or obtained with respect to the referral.

10 (8) "Escrow Agent" means any title insurance company or
11 any title insurance agent, including independent contractors
12 of either, acting on behalf of a title insurance company,
13 which receives deposits, in trust, of funds or documents, or
14 both, for the purpose of effecting the sale, transfer,
15 encumbrance or lease of real property to be held by such escrow
16 agent until title to the real property that is the subject of
17 the escrow is in a prescribed condition. An escrow agent
18 conducting closings shall be subject to the provisions of
19 paragraphs (1) through (4) of subsection (e) of Section 16 of
20 this Act.

21 (9) "Independent Escrowee" means any firm, person,
22 partnership, association, corporation or other legal entity,
23 other than a title insurance company or a title insurance
24 agent, which receives deposits, in trust, of funds or
25 documents, or both, for the purpose of effecting the sale,
26 transfer, encumbrance or lease of real property to be held by

1 such escrowee until title to the real property that is the
2 subject of the escrow is in a prescribed condition. Federal
3 and State chartered banks, savings and loan associations,
4 credit unions, mortgage bankers, banks or trust companies
5 authorized to do business under the Illinois Corporate
6 Fiduciary Act, licensees under the Consumer Installment Loan
7 Act, real estate brokers licensed pursuant to the Real Estate
8 License Act of 2000, as such Acts are now or hereafter amended,
9 and licensed attorneys when engaged in the attorney-client
10 relationship are exempt from the escrow provisions of this
11 Act. "Independent Escrowee" does not include employees or
12 independent contractors of a title insurance company or title
13 insurance agent authorized by a title insurance company to
14 perform closing, escrow, or settlement services.

15 (10) "Single risk" means the insured amount of any title
16 insurance policy, except that where 2 or more title insurance
17 policies are issued simultaneously covering different estates
18 in the same real property, "single risk" means the sum of the
19 insured amounts of all such title insurance policies. Any
20 title insurance policy insuring a mortgage interest, a claim
21 payment under which reduces the insured amount of a fee or
22 leasehold title insurance policy, shall be excluded in
23 computing the amount of a single risk to the extent that the
24 insured amount of the mortgage title insurance policy does not
25 exceed the insured amount of the fee or leasehold title
26 insurance policy.

1 (11) "Department" means the Department of Financial and
2 Professional Regulation.

3 (12) "Secretary" means the Secretary of Financial and
4 Professional Regulation.

5 (13) "Insured closing letter" or "closing protection
6 letter" means an indemnification or undertaking to a party to
7 a real property transaction, from a principal such as a title
8 insurance company, setting forth in writing the extent of the
9 principal's responsibility for intentional misconduct or
10 errors in closing the real property transaction on the part of
11 a settlement agent, such as a title insurance agent or other
12 settlement service provider, or an indemnification or
13 undertaking given by a title insurance company or an
14 independent escrowee setting forth in writing the extent of
15 the title insurance company's or independent escrowee's
16 responsibility to a party to a real property transaction which
17 indemnifies the party against the intentional misconduct or
18 errors in closing the real property transaction on the part of
19 the title insurance company or independent escrowee and
20 includes protection afforded pursuant to subsections (f), (g),
21 and (h) of Section 16, Section 16.1, subsection (h) of Section
22 17, and Section 17.1 of this Act even if such protection is
23 afforded by contract.

24 (14) "Residential real property" means a building or
25 buildings consisting of one to 4 residential units or a
26 residential condominium unit where at least one of the

1 residential units or condominium units is occupied or intended
2 to be occupied as a residence by the purchaser or borrower, or
3 in the event that the purchaser or borrower is the trustee of a
4 trust, by a beneficiary of that trust.

5 (15) "Financial institution" means any bank subject to the
6 Illinois Banking Act, any savings and loan association subject
7 to the Illinois Savings and Loan Act of 1985, any savings bank
8 subject to the Savings Bank Act, any credit union subject to
9 the Illinois Credit Union Act, and any federally chartered
10 commercial bank, savings and loan association, savings bank,
11 or credit union organized and operated in this State pursuant
12 to the laws of the United States.

13 (16) "Core title services" means to: (i) determine
14 insurability of title, which includes title examination and
15 title clearance; and (ii) issue, or cause to issue, title
16 insurance commitments, policies, and endorsements.

17 (17) "Multi-state licensing system" means a web-based
18 platform that allows an applicant to submit his or her
19 application or license renewal application to the Department
20 online.

21 (Source: P.A. 100-485, eff. 9-8-17.)

22 (215 ILCS 155/5) (from Ch. 73, par. 1405)

23 Sec. 5. Certificate of authority required to engage in
24 activities under this Act.

25 (a) It is unlawful for any company to engage or to continue

1 in the business of title insurance without first procuring
2 from the Secretary a certificate of authority stating that the
3 company has complied with the requirements of Section 4 of
4 this Act. An insurer that transacts any class of insurance
5 other than title insurance anywhere in the United States is
6 not eligible for the issuance of a certificate of authority to
7 transact title insurance in this State nor for a renewal of a
8 certificate of authority.

9 (b) It is unlawful for any person, firm, partnership,
10 association, corporation, or other legal entity to act as or
11 hold itself out to be a title insurance agent without first
12 procuring from the Secretary a license subject to the
13 conditions of Section 16.

14 (c) As used in this Act, the terms "license" and
15 "certificate of authority" have the same meaning.

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

17 (215 ILCS 155/12) (from Ch. 73, par. 1412)

18 Sec. 12. Examinations; compliance.

19 (a) The Secretary or his authorized representative shall
20 have the power and authority, and it shall be his duty, to
21 cause to be visited and examined annually any title insurance
22 company doing business under this Act, and to verify and
23 compel compliance with the provisions of law governing it.

24 (b) The Secretary or his authorized representative ~~agent~~
25 shall have power and authority to compel compliance with the

1 provisions of this Act and may visit and shall, only upon the
2 showing of good cause, require a title insurance agent or
3 independent escrowee to make appropriate records ~~any title~~
4 ~~insurance company to take all legal means to obtain the~~
5 ~~appropriate records of its registered agents and make them~~
6 available for examination at a time and place designated by
7 the Secretary. ~~Expenses incurred in the course of such~~
8 ~~examinations will be the responsibility of the title insurance~~
9 ~~company. In the event that a present or former registered~~
10 ~~agent or its successor refuses or is unable to cooperate with a~~
11 ~~title insurance company in furnishing the records requested by~~
12 ~~the Secretary or his or her authorized agent, then the~~
13 ~~Secretary or his or her authorized agent shall have the power~~
14 ~~and authority to obtain those records directly from the~~
15 ~~registered agent.~~

16 (c) The Secretary or the Secretary's authorized
17 representative shall have power and authority to compel an
18 independent escrowee's compliance with the provisions of this
19 Act pursuant to subsection (f) of Section 17.

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

21 (215 ILCS 155/14) (from Ch. 73, par. 1414)

22 Sec. 14. Fees.

23 (a) Every title insurance company and every independent
24 escrowee subject to this Act shall pay the following fees:

25 (1) for filing the original application for a

1 certificate of authority and receiving the deposit
2 required under this Act, \$500;

3 (2) for the certificate of authority, \$10;

4 (3) for every copy of a paper filed in the Department
5 under this Act, \$1 per folio;

6 (4) for affixing the seal of the Department and
7 certifying a copy, \$2; and

8 (5) for filing the annual statement, \$50.

9 (b) Each title insurance company shall remit, ~~for all of~~
10 ~~its title insurance agents subject to this Act for filing an~~
11 ~~annual registration of its agents,~~ an amount equal to \$3 for
12 each policy issued by all of its title insurance agents in the
13 immediately preceding calendar year.

14 (c) Every title insurance agent subject to this Act shall
15 pay the following fees:

16 (1) for a resident of the State, filing the original
17 application for a certification of authority and for the
18 certificate of authority, \$80;

19 (2) for a nonresident of the State, filing the
20 original application for a certification of authority and
21 for the certificate of authority, \$120;

22 (3) for a resident or nonresident of the State, filing
23 for renewal of a certificate of authority, \$80; and

24 (4) for a resident or nonresident of the State, filing
25 for reinstatement of a lapsed certificate of authority,
26 \$120.

1 (Source: P.A. 99-104, eff. 1-1-16.)

2 (215 ILCS 155/16) (from Ch. 73, par. 1416)

3 Sec. 16. Title insurance agents.

4 (a) No person, firm, partnership, association,
5 corporation, or other legal entity shall act as or hold itself
6 out to be a title insurance agent unless it is authorized to
7 perform core title services ~~duly registered~~ by a title
8 insurance company and has a license from ~~with~~ the Secretary.
9 Every title insurance agent registration issued before or
10 after the effective date of this amendatory Act of the 102nd
11 General Assembly shall satisfy the requirements for a license
12 under this amendatory Act of the 102nd General Assembly until
13 January 1 of the calendar year immediately following the
14 adoption of such rules that the Secretary shall adopt as may be
15 necessary for the administration of granting of the license
16 for title insurance agents under this amendatory Act of the
17 102nd General Assembly and until the related application is
18 either approved or disapproved; the continued recognition of
19 such title insurance agent registrations during this period
20 does not relieve title insurance agents and title insurance
21 companies of their other obligations under this Act before the
22 effective date of this amendatory Act of the 102nd General
23 Assembly.

24 (b) Each application for a license ~~registration~~ shall be
25 made on a form specified by the Secretary and prepared by each

1 title insurance company which the agent represents. The title
2 insurance company shall retain the copy of the application and
3 forward a copy to the Secretary. The Secretary may require
4 participation in a third-party, multi-state licensing system
5 for licensing under this Act. The third-party, multi-state
6 licensing system may share regulatory information and maintain
7 records in compliance with the provisions of this Act. The
8 third-party, multi-state licensing system may charge an
9 administration fee. The title insurance agent licensing fees
10 that are set forth in Section 14 shall be paid by the title
11 insurance agent to the Department.

12 (c) License applications shall comply with the following:

13 (1) Every applicant for a license registration, except
14 a firm, partnership, association, limited liability
15 company, or corporation, must be 18 years or more of age.

16 (2) Every applicant for a license that is a firm,
17 partnership, association, corporation, or other legal
18 entity shall designate and name at least one individual
19 who: (i) has a financial interest in the licensee; and
20 (ii) is authorized by at least one title insurance company
21 to determine insurability of title.

22 (3) Included in every application for a license
23 registration of a title insurance agent, including a firm,
24 partnership, association, limited liability company, or
25 corporation, shall be an affidavit of the applicant title
26 insurance agent, signed and notarized in front of a notary

1 public, affirming that the applicant and every owner,
2 officer, director, principal, member, or manager of the
3 applicant has never been convicted or pled guilty to any
4 felony or misdemeanor involving a crime of theft or
5 dishonesty or otherwise accurately disclosing any such
6 felony or misdemeanor involving a crime of theft or
7 dishonesty. No person who has had a conviction or pled
8 guilty to any felony or misdemeanor involving theft or
9 dishonesty may be appointed ~~registered~~ by a title
10 insurance company without a written notification to the
11 Secretary disclosing the conviction or plea, and no such
12 person may serve as an owner, officer, director,
13 principal, or manager of any ~~registered~~ title insurance
14 agent without the written permission of the Secretary.

15 (4) Every applicant shall obtain and maintain errors
16 and omissions insurance or its equivalent, such as
17 malpractice insurance covering title insurance agent
18 services, in an amount acceptable to the title insurance
19 company authorizing the agent, but in no event in an
20 amount less than \$250,000 per claim and less than an
21 aggregate limit of \$500,000 with a deductible in an amount
22 acceptable to the title insurance company appointing the
23 agent. A title insurance company shall not provide the
24 insurance directly or indirectly on behalf of a title
25 insurance agent. If errors and omissions insurance is
26 unavailable generally, the Department shall adopt rules

1 for alternative methods to comply with this paragraph (4).

2 (d) A license Registration shall be renewed by February 1
3 every 2 years ~~made annually~~ by a filing with the Secretary or
4 other methods utilizing a third-party, multi-state licensing
5 system as determined by the Secretary through the adoption of
6 rules; supplemental filings ~~registrations~~ for a new agency
7 agreement with a title insurance company agents to be added
8 between license renewal ~~annual~~ filings shall be made from time
9 to time in the manner provided by the Secretary; licenses
10 ~~registrations~~ shall remain in effect unless revoked or
11 suspended by the Secretary or voluntarily withdrawn by the
12 title insurance agent registrant or the title insurance agent
13 no longer has any agency agreement with a title insurance
14 company.

15 (e) Funds deposited in connection with any escrows,
16 settlements, or closings shall be deposited in a separate
17 fiduciary trust account or accounts in a bank or other
18 financial institution insured by an agency of the federal
19 government unless the instructions provide otherwise. The
20 funds shall be the property of the person or persons entitled
21 thereto under the provisions of the escrow, settlement, or
22 closing and shall be segregated by escrow, settlement, or
23 closing in the records of the escrow agent. The funds shall not
24 be subject to any debts of the escrowee and shall be used only
25 in accordance with the terms of the individual escrow,
26 settlement, or closing under which the funds were accepted.

1 Interest received on funds deposited with the escrow agent
2 in connection with any escrow, settlement, or closing shall be
3 paid to the depositing party unless the instructions provide
4 otherwise.

5 The escrow agent shall maintain separate records of all
6 receipts and disbursements of escrow, settlement, or closing
7 funds.

8 The escrow agent shall comply with any rules adopted by
9 the Secretary pertaining to escrow, settlement, or closing
10 transactions.

11 (f) A title insurance agent shall not act as an escrow
12 agent in a nonresidential real property transaction where the
13 amount of settlement funds on deposit with the escrow agent is
14 less than \$2,000,000 or in a residential real property
15 transaction unless the title insurance agent, title insurance
16 company, or another authorized title insurance agent has
17 committed for the issuance of title insurance in that
18 transaction and the title insurance agent is authorized to act
19 as an escrow agent on behalf of the title insurance company for
20 which the commitment for title insurance has been issued. The
21 authorization under the preceding sentence shall be given
22 either (1) by an agency contract with the title insurance
23 company which contract, in compliance with the requirements
24 set forth in subsection (g) of this Section, authorizes the
25 title insurance agent to act as an escrow agent on behalf of
26 the title insurance company or (2) by a closing protection

1 letter in compliance with the requirements set forth in
2 Section 16.1 of this Act, issued by the title insurance
3 company to the seller, buyer, borrower, and lender. A closing
4 protection letter shall not be issued by a title insurance
5 agent. The provisions of this subsection (f) shall not apply
6 to the authority of a title insurance agent to act as an escrow
7 agent under subsection (g) of Section 17 of this Act.

8 (g) If an agency contract between the title insurance
9 company and the title insurance agent is the source of the
10 authority under subsection (f) of this Section for a title
11 insurance agent to act as escrow agent for a real property
12 transaction, then the agency contract shall provide for no
13 less protection from the title insurance company to all
14 parties to the real property transaction than the title
15 insurance company would have provided to those parties had the
16 title insurance company issued a closing protection letter in
17 conformity with Section 16.1 of this Act.

18 (h) A title insurance company shall be liable for the acts
19 or omissions of its title insurance agent as an escrow agent if
20 the title insurance company has authorized the title insurance
21 agent under subsections (f) and (g) of this Section 16 and only
22 to the extent of the liability undertaken by the title
23 insurance company in the agency agreement or closing
24 protection letter. The liability, if any, of the title
25 insurance agent to the title insurance company for acts and
26 omissions of the title insurance agent as an escrow agent

1 shall not be limited or otherwise modified because the title
2 insurance company has provided closing protection to a party
3 or parties to a real property transaction escrow, settlement,
4 or closing. The escrow agent shall not charge a fee for
5 protection provided by a title insurance company to parties to
6 real property transactions under subsections (f) and (g) of
7 this Section 16 and Section 16.1, but shall collect from the
8 parties the fee charged by the title insurance company and
9 shall promptly remit the fee to the title insurance company.
10 The title insurance company may charge the parties a
11 reasonable fee for protection provided pursuant to subsections
12 (f) and (g) of this Section 16 and Section 16.1 and shall not
13 pay any portion of the fee to the escrow agent. The payment of
14 any portion of the fee to the escrow agent by the title
15 insurance company, shall be deemed a prohibited inducement or
16 compensation in violation of Section 24 of this Act.

17 (i) The Secretary shall adopt and amend such rules as may
18 be required for the proper administration and enforcement of
19 this Section 16 consistent with the federal Real Estate
20 Settlement Procedures Act and Section 24 of this Act.

21 (Source: P.A. 98-398, eff. 1-1-14; 98-832, eff. 1-1-15;
22 99-104, eff. 1-1-16.)

23 (215 ILCS 155/18) (from Ch. 73, par. 1418)

24 Sec. 18. Disclosure of financial interests ~~No referral~~
25 ~~payments; kickbacks.~~

1 (a) Application of this Section is limited to residential
2 properties of 4 or fewer units, at least one of which units is
3 occupied or to be occupied by an owner, legal or beneficial.

4 (b) No title insurance company, independent escrowee, or
5 title insurance agent may issue a title insurance policy to,
6 or provide services to an applicant if it knows or has reason
7 to believe that the applicant was referred to it by any
8 producer of title business or by any associate of such
9 producer, where the producer, the associate, or both, have a
10 financial interest in the title insurance company, independent
11 escrowee, or title insurance agent to which business is
12 referred unless the producer has disclosed to any party paying
13 for the products or services, or his representative, the
14 financial interest of the producer of title business or
15 associate referring the title business and a disclosure of an
16 estimate of those charges to be paid as described in Section
17 19. Such disclosure must be made in writing on forms
18 prescribed by the Secretary prior to the time that the
19 commitment for title insurance is issued. The title insurance
20 company, independent escrowee, or title insurance agent shall
21 maintain the disclosure forms for a period of 3 years.

22 (c) Each title insurance company, independent escrowee,
23 and title insurance agent shall file with the Secretary, on
24 forms prescribed by the Secretary, reports setting forth the
25 names and addresses of those persons, if any, who have had a
26 financial interest in the title insurance company, independent

1 escrowee, or title insurance agent during the calendar year,
2 who are known or reasonably believed by the title insurance
3 company, independent escrowee, or title insurance agent to be
4 producers of title business or associates of producers.

5 (1) Each title insurance company and independent
6 escrowee shall file the report required under this
7 subsection with its application for a certificate of
8 authority and at any time there is a change in the
9 information provided in the last report.

10 (2) Each title insurance agent shall file the report
11 required under this subsection with its title insurance
12 company for inclusion with its application for
13 registration and at any time there is a change in the
14 information provided in its last report.

15 (3) Each title insurance company, independent
16 escrowee, or title insurance agent doing business on the
17 effective date of this Act shall file the report required
18 under this subsection within 90 days after such effective
19 date.

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

21 (215 ILCS 155/18.2 new)

22 Sec. 18.2. Rate and service fee filings.

23 (a) Rate and service fee filing requirements.

24 (1) For every rate and fee intended to be charged to
25 the parties to a transaction subject to this Act, every

1 title insurance company and independent escrowee shall
2 file with the Secretary every manual of classifications,
3 forms, specification of services, character and extent of
4 the coverage contemplated, schedules of rates and fees,
5 and every modification of any of the foregoing, which
6 includes, but is not limited to: owner's policy premium,
7 loan policy premium, endorsement charges, additional or
8 special charges, closing fees, escrow fees, settlement
9 fees, closing protection letter fees subject to Section
10 16.1, and like charges.

11 (2) The Secretary shall review filings as may be
12 necessary to carry out the provisions of this Act and
13 shall either approve or disapprove a filing or any part of
14 a filing within 30 days after it is filed. Within the
15 30-day period, the Secretary may, upon written notice to a
16 person designated by the entity making the filing, extend
17 the period no more than 30 days to enable the Secretary to
18 complete the review of the filing. Further extensions may
19 be made only with the consent of the title insurance
20 company or rating organization making the filing. Upon
21 written application by the title insurance company or
22 rating organization making the filing, the Secretary may
23 approve any part of a filing to become effective before
24 other parts of the filing.

25 (3) If the Secretary finds that the filing or a part of
26 the filing does not meet the requirements of this Act, the

1 Secretary shall issue an order specifying in what respects
2 it fails to meet the requirements of this Act. Copies of
3 the order shall be sent to every such title insurance
4 company and rating organization.

5 (4) A title insurance company may satisfy its
6 obligations under this Act to make rate and fee filings by
7 becoming a member of, or a subscriber to, a licensed
8 rating organization that makes rate and fee filings and by
9 authorizing the Secretary to accept rate and fee filings
10 on its behalf. A title insurance agent may become an
11 affiliate, non-voting member of a rating organization
12 based on the requirements and rights set forth by the
13 rating organization.

14 (b) Justification and administration of rates and fees. A
15 rate filing shall be accompanied by a statement of the title
16 insurance company or rating organization making the filing
17 setting forth the basis upon which the rate was fixed and the
18 fees are to be computed.

19 (1) Any filing may be justified by:

20 (A) the experience or judgment of the title
21 insurance company or rating organization making the
22 filing;

23 (B) the experience of other title insurance
24 companies or rating organizations; or

25 (C) any other factors that the title insurance
26 company or rating organization deems relevant.

1 (2) In making rates, due consideration shall be given
2 to past and prospective loss experience, exposure to loss,
3 underwriting practice and judgment, past and prospective
4 expenses incurred by title insurance companies and their
5 title insurance agents, a reasonable margin for profit and
6 contingencies by title insurance companies and their title
7 insurance agents, and to all other relevant factors both
8 within and outside of this State.

9 (3) Rates shall not be inadequate or unfairly
10 discriminatory nor shall rates be excessive such as to
11 permit title insurance companies and their title insurance
12 agents to earn a greater profit, after payment of all
13 taxes upon all income, than is necessary to enable them to
14 earn over the years sufficient amounts to pay their actual
15 expenses and losses arising in the conduct of their title
16 insurance business plus a reasonable profit. The systems
17 of expense provisions and the amount of expense charged
18 against each class of contract or policy may vary between
19 title insurance companies. Rates may, in the discretion of
20 any title insurance company, be less than the cost of
21 performing the work in the case of smaller insurances, and
22 the excess may be charged against the larger insurances
23 without rendering the rates unfairly discriminatory.

24 (4) If ascertaining the estimated future earnings of
25 title insurance companies and their title insurance
26 agents, the Secretary shall utilize a properly weighted

1 cross section of title insurance companies and their title
2 insurance agents operating in this State and shall give
3 due consideration to the following matters:

4 (A) the average rates of profit after payment of
5 taxes on all income earned by other comparable
6 industry generally;

7 (B) the desirability for stability of a rate
8 structure;

9 (C) the necessity of insuring through growth in
10 assets in times of high business activity and the
11 financial solvency of title insurance companies and
12 their title insurance agents in times of economic
13 depression; and

14 (D) the necessity for earning sufficient dividends
15 on the stock, or its equivalent, to induce capital to
16 be invested in title insurance companies and their
17 title insurance agents.

18 (5) The Secretary shall adopt rules adapted to each of
19 the rating systems on file with the Secretary, which may
20 be modified from time to time, and that shall be used by
21 each title insurance company in the recording and
22 reporting of the composition of its business, its loss and
23 countrywide expense experience, and the experience of its
24 title insurance underwriters in order that the experience
25 of all title insurance companies may be made available, at
26 least annually, in such form and detail as may be

1 necessary to aid the Secretary in determining whether
2 rating systems comply with the standards set forth in this
3 Act. The rules and plans may also provide for the
4 recording and reporting of expense experience items that
5 are applicable to this State and are not susceptible of
6 determination by a prorating of countrywide expense
7 experience. In adopting the rules and plans, the Secretary
8 shall give due consideration to the rating systems on file
9 with the Secretary and, in order that the rules and plans
10 may be as uniform as is practicable among the several
11 states, to the rules and to form of the plans used for such
12 rating systems in other states. The rules and plans shall
13 not place an unreasonable burden of expense on any title
14 insurance company.

15 (6) Reasonable rules and plans may be adopted by the
16 Secretary for the interchange of data necessary for the
17 application of rating plans. No title insurance company
18 shall be required to record or report its expense and loss
19 experience on a classification basis that is inconsistent
20 with the rating system filed by it nor shall any title
21 insurance company be required to report its experience to
22 any rating organization of which it is not a member or
23 subscriber. The Secretary may otherwise designate one or
24 more rating organizations or other agencies to assist the
25 Secretary in gathering such experience and making
26 compilations, and these compilations shall be made

1 available in a manner not inconsistent with this Section,
2 subject to reasonable rules adopted by the Secretary, to
3 title insurance companies and rating organizations.

4 (7) In order to further uniform administration of rate
5 regulatory laws, the Secretary and every title insurance
6 company and rating organization may exchange information
7 and experience data with title insurance supervisory
8 officials, title insurance companies, and title insurance
9 rating organizations in other states and may consult with
10 them with respect to rate making and the application of
11 rating systems.

12 (c) Rating organizations.

13 (1) A corporation, an unincorporated association, a
14 partnership, or an individual, whether located within or
15 outside this State, may make application to the Secretary
16 for a license as a rating organization for title insurance
17 companies.

18 (A) An entity seeking a license as a rating
19 organization shall file: (i) a copy of its
20 constitution, its articles of agreement or association
21 or its certificate of incorporation, and its bylaws,
22 rules, and regulations governing the conduct of its
23 business; (ii) a list of its members and subscribers;
24 (iii) the name and address of a resident of this State
25 upon whom notices or orders of the Secretary or
26 process affecting such rating organization may be

1 served; and (iv) a statement of its qualifications as
2 a rating organization.

3 (B) If the Secretary finds that the applicant is
4 competent, trustworthy, and otherwise qualified to act
5 as a rating organization and that its constitution,
6 articles of agreement or association or certificate of
7 incorporation, and its bylaws, rules, and regulations
8 governing the conduct of its business conforms to the
9 requirements of law, the Secretary shall issue a
10 license authorizing the applicant to act as a rating
11 organization for title insurance. Every such
12 application shall be granted or denied in whole or in
13 part by the Secretary within 60 days after the date of
14 its filing. Licenses issued under this Section shall
15 remain in effect for 3 years unless sooner suspended
16 or revoked by the Secretary or withdrawn by the
17 licensee. The fee for the license shall be \$25.
18 Licenses issued under this Section may be suspended or
19 revoked by the Secretary, after hearing upon notice,
20 if the rating organization ceases to meet the
21 requirements of this subsection (c).

22 (C) Every rating organization shall notify the
23 Secretary promptly of every change in: (i) its
24 constitution, its articles of agreement or association
25 or its certificate of incorporation, and its bylaws,
26 rules, and regulations governing the conduct of its

1 business; (ii) its list of members and subscribers;
2 and (iii) the name and address of the resident of this
3 State designated by it upon whom notices or orders of
4 the Secretary or process affecting such rating
5 organization may be served.

6 (2) Subject to rules adopted by the Secretary, each
7 rating organization shall permit any title insurance
8 company not a member to be a subscriber to its rating
9 services, and a title insurance agent may become an
10 affiliate, non-voting member of a rating organization
11 based on the requirements and rights set forth by the
12 rating organization. Each rating organization shall
13 furnish its rating services without discrimination to its
14 members, subscribers, and affiliates. The furnishing of
15 rating services without discrimination to its members,
16 subscribers, and affiliates, or the refusal of any rating
17 organization to admit a subscriber or affiliate, shall, at
18 the request of any subscriber or any such title insurance
19 company or affiliate, be reviewed by the Secretary at a
20 hearing held upon at least 10 days' written notice to the
21 rating organization and to the subscriber or title
22 insurance company. If the Secretary finds that the actions
23 of the rating organization were discriminatory, the
24 Secretary shall order that the actions cease. If the
25 rating organization fails to grant or reject an
26 application for subscriber or affiliate status within 30

1 days after it was made, the title insurance company may
2 request a review by the Secretary as if the application
3 had been rejected. If the Secretary finds that the title
4 insurance company has been refused admittance to the
5 rating organization as a subscriber without justification,
6 the Secretary shall order the rating organization to admit
7 the title insurance company as a subscriber. If the
8 Secretary finds that the action of the rating organization
9 was justified, the Secretary shall make an order affirming
10 its action.

11 (3) Cooperation among rating organizations, or among
12 rating organizations and title insurance companies, and
13 concert of action among title insurance companies under
14 the same general management and control in rate making or
15 in other matters within the scope of this Act is hereby
16 authorized, provided that the filings are subject to all
17 the provisions of this Act that are applicable to filings
18 generally. The Secretary may review the activities and
19 practices and if, after a hearing, the Secretary finds
20 that any such activity or practice is unfair or
21 unreasonable or otherwise inconsistent with the provisions
22 of this Act, the Secretary may issue a written order
23 specifying in what respects the activity or practice is
24 unfair or unreasonable or otherwise inconsistent with the
25 provisions of this Act and requiring the discontinuance of
26 the activity or practice.

1 (d) Deviations. Every member of or subscriber to a rating
2 organization shall adhere to the filings made on its behalf by
3 such organization, except that any title insurance company
4 that is a member of or subscriber to a rating organization may
5 file with the Secretary a decrease or increase to be applied to
6 any or all elements of the fees produced by the rating system
7 so filed for a class of title insurance that is found by the
8 Secretary to be a proper rating unit for the application of the
9 uniform decrease or increase or to be applied to the rates for
10 a particular area. A deviation filing shall specify the basis
11 for the modification and shall be accompanied by the data or
12 historical pattern upon which the applicant relies. A copy of
13 the filing and data shall be sent simultaneously to the rating
14 organization. Any deviation filing shall be on file for a
15 waiting period of 30 days before it becomes effective. The
16 Secretary shall make the review of the deviation filing as may
17 be necessary to carry out the provisions of this Act and either
18 approve or disapprove the filing or any part of the filing,
19 including the proposed effective date. Extension of the
20 waiting period may be made in the same manner that the period
21 is extended in the case of rate filings. Upon written
22 application of the person making the filing, the Secretary may
23 authorize a deviation filing or any part of the filing to
24 become effective before the expiration of the waiting period
25 or any extension. Deviation filings shall be subject to the
26 provisions of paragraph (3) of subsection (a). Each deviation

1 shall be effective for at least one year after the date the
2 deviation is approved unless terminated sooner with the
3 approval of the Secretary or in accordance with the provisions
4 of paragraph (3) of subsection (a).

5 (e) Examinations of rating organizations. The Secretary
6 shall, at least once in 5 years, make or cause to be made an
7 examination of a rating organization licensed under this Act
8 in this State. The reasonable costs of the examination shall
9 be paid by the rating organization examined upon presentation
10 to it of a detailed account of the costs. The officers,
11 managers, agents, and employees of the rating organization may
12 be examined at any time under oath and shall exhibit all books,
13 records, accounts, documents, or agreements governing its
14 method of operation. The Secretary shall furnish 2 copies of
15 the examination report to the organization examined and shall
16 notify the organization that it may, within 20 days, request a
17 hearing on the report or on any facts or recommendations
18 contained in the report. Before filing the report for public
19 inspection, the Secretary shall grant a hearing to the
20 organization examined. The report of the examination, when
21 filed for public inspection, shall be admissible in evidence
22 in any action or proceeding brought by the Secretary against
23 the organization examined, or its officers or agents, and
24 shall be prima facie evidence of facts stated in the report.
25 The Secretary may withhold the report of the examination from
26 public inspection for such time as the Secretary may deem

1 proper. In lieu of the examination, the Secretary may accept
2 the report of an examination made by the title insurance
3 supervisory official of another state pursuant to the laws of
4 that state.

5 (f) False or misleading information. No person or
6 organization shall willfully withhold information from or
7 knowingly give false or misleading information to the
8 Secretary, any statistical agency designated by the Secretary,
9 any rating organization, or any title insurance company that
10 will affect the rates or fees chargeable under this Act.

11 (g) Penalties.

12 (1) The Secretary may, if the Secretary finds that any
13 person or organization has violated any provision of this
14 Section, impose a penalty of not more than \$500 for each
15 such violation, but if the Secretary finds the violation
16 to be willful, the Secretary may impose a penalty of not
17 more than \$5,000 for each willful violation. Such
18 penalties may be in addition to any other penalty provided
19 by law.

20 (2) The Secretary may suspend the license of a rating
21 organization or the certificate of authority of a title
22 insurance company that fails to comply with an order of
23 the Secretary within the time limited by such order or any
24 extension that the Secretary may grant. The Secretary
25 shall not suspend the license of any rating organization
26 or the certificate of authority of a title insurance

1 company for failure to comply with an order until the time
2 prescribed for an appeal has expired or, if an appeal has
3 been taken, until the order has been affirmed. The
4 Secretary may determine when a suspension of license shall
5 become effective, and it shall remain in effect for the
6 period fixed by the Secretary, unless the Secretary
7 modifies or rescinds the suspension or until the order
8 upon which the suspension is based is modified, rescinded,
9 or reversed.

10 (3) No penalty shall be imposed and no license or
11 certificate of authority shall be suspended or revoked
12 pursuant to this Section except upon a written order of
13 the Secretary stating his or her findings made after a
14 hearing held upon not less than 10 days' written notice to
15 the holder specifying the alleged violation.

16 (4) All hearings provided for in this Section shall be
17 conducted and the decision of the Secretary on the issue
18 or filing involved shall be rendered in accordance with
19 the Administrative Review Law.

20 (h) Rates and fees. In all circumstances, whether
21 involving rates and fees filed by a rating organization or
22 title insurance company:

23 (1) separate filings shall be provided for the 2
24 following geographic zones:

25 (A) Zone 1 comprising the counties of Cook, Lake,
26 DuPage, McHenry, Kane, Will, Grundy, and Kendall; and

1 (B) Zone 2 comprising all other counties within
2 the State.

3 The Secretary shall submit a report to the Governor
4 and General Assembly no later than January 1, 2027 as to
5 whether multiple zones are justified based on differences
6 in costs between the zones.

7 (2) Rates shall be separated into classes based on
8 monetary insurance ranges without distinction of
9 commercial or residential use of the property.

10 (3) Regarding residential real property transactions,
11 from the owner's policy premium, loan policy premium, and
12 endorsement charges, which does not include closing
13 protection letter charges, a title insurance agent shall
14 retain 85% and remit 15% to a title insurance company for
15 each premium and endorsement that the title insurance
16 agent performs at least core title services. For those
17 residential real property transactions, if the title
18 insurance agent does not perform at least core title
19 services for a premium or endorsement charge, then the
20 entity or individual performing the core title services
21 shall be compensated an amount equal to 85% of each
22 premium or endorsement charge for which they perform the
23 core title services.

24 Regarding non-residential real property transactions,
25 from the owner's policy premium, loan policy premium, and
26 endorsement charges, which does not include closing

1 protection letter charges, a title insurance agent may
2 retain no more than 80% and remit no less than 20% to a
3 title insurance company for each premium and endorsement
4 that the title insurance agent performs at least core
5 title services. For those non-residential real property
6 transactions, if the title insurance agent does not
7 perform at least core title services for a premium or
8 endorsement charge, then the title insurance agent or
9 title insurance company performing the core title services
10 shall be compensated an amount no more than 80% of each
11 premium or endorsement charge for which they perform the
12 core title services.

13 (4) Any fees charged to the parties to the transaction
14 other than the owner's policy premium, loan policy
15 premium, and endorsement charges shall not be duplicative
16 of any other charges to that party, shall be retained or
17 remitted in an amount commensurate with the actual cost of
18 the work performed and material furnished, and, if
19 applicable, shall be in compliance with paragraph (5.8) of
20 subsection (a) of Section 21.

21 (215 ILCS 155/21) (from Ch. 73, par. 1421)

22 Sec. 21. Regulatory action.

23 (a) The Secretary may refuse to grant, and may suspend or
24 revoke, any certificate of authority, registration, or license
25 issued pursuant to this Act or may impose a fine for a

1 violation of this Act if he determines that the holder of or
2 applicant for such certificate, registration or license:

3 (1) has intentionally made a material misstatement or
4 fraudulent misrepresentation in relation to a matter
5 covered by this Act;

6 (2) has misappropriated or tortiously converted to its
7 own use, or illegally withheld, monies held in a fiduciary
8 capacity;

9 (3) has demonstrated untrustworthiness or incompetency
10 in transacting the business of guaranteeing titles to real
11 estate in such a manner as to endanger the public;

12 (4) has materially misrepresented the terms or
13 conditions of contracts or agreements to which it is a
14 party;

15 (5) has paid any commissions, discounts or any part of
16 its premiums, fees or other charges to any person in
17 violation of any State or federal law or regulations or
18 opinion letters issued under the federal Real Estate
19 Settlement Procedures Act of 1974, including if a producer
20 of title business requires the use of a title insurance
21 company, title insurance agent, or independent escrowee in
22 exchange for continued title insurance business referrals
23 where an individual with a financial interest in the
24 producer of title business also has a financial interest
25 in the title insurance company, title insurance agent, or
26 independent escrowee;

1 (5.1) has given or accepted any portion of any charge
2 made or received for the rendering of a real estate
3 settlement service in connection with a transaction other
4 than for services actually performed;

5 (5.2) has disbursed funds before the actual delivery
6 of funds acceptable to the closing and settlement services
7 agent;

8 (5.3) has disbursed of closing and settlement services
9 funds before all necessary conditions of the transaction
10 have been met;

11 (5.4) has paid for, furnished, or offered to pay for
12 or furnish any reward or compensation for any past,
13 present, or future title insurance business or closing and
14 settlement services or any other title business,
15 including, but not limited to, the payment of a fee to an
16 attorney for the referral of title business;

17 (5.5) has paid or offered to pay any fee to a producer
18 of title business for making an inspection or appraisal of
19 property;

20 (5.6) has received securities of the title insurance
21 company, title insurance agent, or independent escrowee at
22 prices below the normal market price or bonds or
23 debentures that guarantee a higher than normal interest
24 rate, whether or not the consummation of the transaction
25 is directly or indirectly related to the number of closing
26 and settlement services or title orders coming to the

1 title insurance company, title insurance agent, or
2 independent escrowee through the efforts of that person;

3 (5.7) has furnished to any producer of title business
4 or associate of a producer reports containing publicly
5 recorded information, appraisals, estimates of income
6 production potential, information kits, or similar
7 packages containing information about one or more parcels
8 of real property helpful to any producer of title business
9 without making a charge that is commensurate with the
10 actual cost of the work performed and the material
11 furnished; additionally:

12 (A) when search services subject to this Act are
13 provided to a title insurance agent by another entity
14 or individual there shall be a written service
15 agreement for the search services, payment shall be
16 made pursuant to the agreement if the transaction
17 closes, and any charges to a party to the transaction
18 that are related to the search services shall not be
19 duplicative of any other charges to that party; and

20 (B) when services other than search services
21 subject to this Act are provided to a title insurance
22 agent by another entity or individual there shall be a
23 written service agreement for the services, payment
24 shall be made pursuant to the agreement in a
25 cumulative total amount no less than \$350 if the
26 transaction closes, and any charges to a party to the

1 transaction that are related to the services shall not
2 be duplicative of any other charges to that party;

3 (5.8) has made or guaranteed or has offered to make or
4 guarantee, either directly or indirectly, any loan to any
5 producer of title business or associate of a producer with
6 terms more favorable than otherwise available to the
7 producer;

8 (5.9) has guaranteed or offered to guarantee the
9 proper performance of closing and settlement services or
10 undertakings that are to be performed by any producer of
11 title business, except as authorized pursuant to Sections
12 16 and 16.1;

13 (5.10) has provided or offered to provide, either
14 directly or indirectly, a compensating balance or deposit
15 in a lending institution either for the express or implied
16 purpose of influencing the placement or channeling of
17 title insurance business by the lending institution; this
18 provision does not prohibit the maintenance by a title
19 insurance company, title agent, or independent escrowee of
20 demand deposits or escrow deposits that are reasonably
21 necessary for use in the ordinary course of the business
22 of the title insurance company, title agent, or
23 independent escrowee;

24 (5.11) has paid for or offered to pay for the fees or
25 charges of an outside professional, such as an attorney,
26 engineer, appraiser, or surveyor, whose services are

1 required by any producer of title business to structure or
2 complete a particular transaction;

3 (5.12) has provided or offered to provide non-title
4 services, such as computerized bookkeeping, forms
5 management, computer programming, or any similar benefit,
6 without a charge that is commensurate with the actual cost
7 to any producer of title business or to any associate of a
8 producer of title business;

9 (5.13) has furnished or offered to furnish all or any
10 part of the time or productive effort of any employee of
11 the title insurance company, title insurance agent, or
12 independent escrowee, such as an office manager, escrow
13 officer, secretary, clerk, or messenger, to any producer
14 of the title business or associate of a producer of title
15 business;

16 (5.14) has paid for or offered to pay for all or any
17 part of the salary of an employee of any producer of title
18 business;

19 (5.15) has paid for or offered to pay for the salary or
20 any part of the salary of a relative of any producer of
21 title business if that payment is in excess of the
22 reasonable value of work performed by the relative on
23 behalf of the title insurance company, title insurance
24 agent, or independent escrowee;

25 (5.16) has paid for or offered to pay for services by
26 any producer of title business that are ordinarily to be

1 performed by the producer of title business in his or her
2 licensed capacity as a real estate or mortgage broker or
3 salesman or agent;

4 (5.17) has furnished or offered to furnish or paid for
5 or offered to pay for furniture, office supplies,
6 telephones, facsimile machines, equipment, or automobiles
7 to any producer of title business, or has paid for or
8 offered to pay for any portion of the cost of renting,
9 leasing, operating, or maintaining any of these items;

10 (5.18) has paid for, furnished, or waived or offered
11 to pay for, furnish, or waive all or any part of the rent
12 for space occupied by any producer of title business;

13 (5.19) has rented or offered to rent space from any
14 producer of title business, regardless of the purpose, at
15 a rent that is excessive when compared with rents for
16 comparable space in the geographic area or has paid or
17 offered to pay rent based in whole or in part on the volume
18 of business generated by any producer of title business;

19 (5.20) has paid for or offered to pay for gifts,
20 vacations, business trips, convention expenses, travel
21 expenses, membership fees, registration fees, lodging, or
22 meals on behalf of a producer of title insurance, directly
23 or indirectly, or supplied letters of credit, credit
24 cards, or any such benefits;

25 (5.21) has paid for or offered to pay for the
26 cancellation fee for a title report or other fee on behalf

1 of any producer of title business either before or after
2 inducing the producer of title business to cancel an order
3 with another title insurance company, title insurance
4 agent, or independent escrowee;

5 (5.22) has paid for, furnished, or offered to pay for
6 or furnish any business form to any producer of title
7 business, other than a form regularly used in the conduct
8 of the title insurance company's business, that is
9 furnished for the convenience of the title insurance
10 company and does not constitute a direct monetary benefit
11 to any producer of title business;

12 (5.23) has given trading stamps, cash redemption
13 coupons, or similar items to any producer of title
14 business;

15 (6) has failed to comply with the deposit and reserve
16 requirements of this Act or any other requirements of this
17 Act;

18 (7) has committed fraud or misrepresentation in
19 applying for or procuring any certificate of authority,
20 registration, or license issued pursuant to this Act;

21 (8) has a conviction or plea of guilty or plea of nolo
22 contendere in this State or any other jurisdiction to (i)
23 any felony or (ii) a misdemeanor, an essential element of
24 which is dishonesty or fraud or larceny, embezzlement, or
25 obtaining money, property, or credit by false pretenses or
26 by means of a confidence game;

1 (9) has been disciplined by another state, the
2 District of Columbia, a territory, foreign nation, a
3 governmental agency, or any entity authorized to impose
4 discipline if at least one of the grounds for that
5 discipline is the same as or equivalent to one of the
6 grounds for which a title insurance company, title
7 insurance agent, or independent escrowee may be
8 disciplined under this Act or if at least one of the
9 grounds for that discipline involves dishonesty; a
10 certified copy of the record of the action by the other
11 state or jurisdiction shall be prima facie evidence
12 thereof;

13 (10) has advertising that is inaccurate, misleading,
14 or contrary to the provisions of this Act;

15 (11) has knowingly and willfully made any substantial
16 misrepresentation or untruthful advertising;

17 (12) has made any false promises of a character likely
18 to influence, persuade, or induce;

19 (13) has knowingly failed to account for or remit any
20 money or documents coming into the possession of a title
21 insurance company, title insurance agent, or independent
22 escrowee that belong to others;

23 (14) has engaged in dishonorable, unethical, or
24 unprofessional conduct of a character likely to deceive,
25 defraud, or harm the public;

26 (15) has violated the terms of a disciplinary order

1 issued by the Department;

2 (16) has disregarded or violated any provision of this
3 Act or the published rules adopted by the Department to
4 enforce this Act or has aided or abetted any individual,
5 partnership, registered limited liability partnership,
6 limited liability company, or corporation in disregarding
7 any provision of this Act or the published rules; or

8 (17) has acted as a title insurance company, title
9 insurance agent, or independent escrowee without a
10 certificate of authority, registration, or license after
11 the title insurance company, title insurance agent, or
12 independent escrowee's certificate of authority,
13 registration, or license was inoperative.

14 (a-1) Nothing in subsection (a) shall be construed as
15 prohibiting:

16 (1) publishing or printing and disseminating any
17 educational information, notwithstanding that the
18 information may be of benefit to a producer of title
19 business;

20 (2) distributing information, whether printed or oral,
21 advertising novelties, and gift items not to exceed \$25 in
22 value that bear the name of the giver (but not the name of
23 the recipient) to producers of title business;

24 (3) providing reasonable promotional and educational
25 activities that are not conditioned on the referral of
26 business and that do not involve the defraying of expenses

1 that otherwise would be incurred by persons in a position
2 to refer settlement services or business incident to those
3 services, such as a reception by a title company, seminars
4 on title matters offered to professionals, furnishing
5 property descriptions and names of record owners without
6 charge to lenders, real estate brokers, attorneys, or
7 others, or distribution of calendars and other promotional
8 material that do not exceed \$25 in value;

9 (4) the payment of a fee:

10 (A) that bears a reasonable relationship to the
11 value of the services rendered or performed: (i) by
12 any person or party to attorneys at law for services
13 actually rendered; (ii) by a title company to its duly
14 appointed agent for services actually performed in the
15 issuance of a policy of title insurance; or (iii) by a
16 lender to its duly appointed agent for services
17 actually performed in the making of a loan; and

18 (B) to a settlement service provider for services
19 outside of the normal scope of that provider's
20 services to the parties to the transaction;

21 (5) the payment of a bona fide salary or compensation
22 or other payment for goods or facilities actually
23 furnished or for services actually performed, so long as
24 the salary, compensation, or other payment bears a
25 reasonable relationship to the value of the services,
26 goods, or facilities;

1 (6) proportionate returns on an ownership or franchise
2 interest; and

3 (7) ordinary and customary business entertainment or
4 promotional activities not to exceed \$200 in value per
5 person, per quarter of each year beginning January 1 by
6 title insurance companies, title insurance agents, or
7 independent escrowees that are not directly or indirectly
8 consideration as an inducement or compensation for the
9 referral of title business or for the referral of any
10 escrow or other service from a title insurance company,
11 title insurance agent, or independent escrowee.

12 (b) In every case where a registration or certificate is
13 suspended or revoked, or an application for a registration or
14 certificate or renewal thereof is refused, the Secretary shall
15 serve notice of his action, including a statement of the
16 reasons for his action, as provided by this Act. When a notice
17 of suspension or revocation of a certificate of authority is
18 given to a title insurance company, the Secretary shall also
19 notify all the registered agents of that title insurance
20 company of the Secretary's action.

21 (c) In the case of a refusal to issue or renew a
22 certificate or accept a registration, the applicant or
23 registrant may request in writing, within 30 days after the
24 date of service, a hearing. In the case of a refusal to renew,
25 the expiring registration or certificate shall be deemed to
26 continue in force until 30 days after the service of the notice

1 of refusal to renew, or if a hearing is requested during that
2 period, until a final order is entered pursuant to such
3 hearing.

4 (d) The suspension or revocation of a registration or
5 certificate shall take effect upon service of notice thereof.
6 The holder of any such suspended registration or certificate
7 may request in writing, within 30 days of such service, a
8 hearing.

9 (e) In cases of suspension or revocation of registration
10 pursuant to subsection (a), the Secretary may, in the public
11 interest, issue an order of suspension or revocation which
12 shall take effect upon service of notification thereof. Such
13 order shall become final 60 days from the date of service
14 unless the registrant requests in writing, within such 60
15 days, a formal hearing thereon. In the event a hearing is
16 requested, the order shall remain temporary until a final
17 order is entered pursuant to such hearing.

18 (f) Hearing shall be held at such time and place as may be
19 designated by the Secretary either in the City of Springfield,
20 the City of Chicago, or in the county in which the principal
21 business office of the affected registrant or certificate
22 holder is located.

23 (g) The suspension or revocation of a registration or
24 certificate or the refusal to issue or renew a registration or
25 certificate shall not in any way limit or terminate the
26 responsibilities of any registrant or certificate holder

1 arising under any policy or contract of title insurance to
2 which it is a party. No new contract or policy of title
3 insurance may be issued, nor may any existing policy or
4 contract to title insurance be renewed by any registrant or
5 certificate holder during any period of suspension or
6 revocation of a registration or certificate.

7 (h) The Secretary may issue a cease and desist order to a
8 title insurance company, agent, or other entity doing business
9 without the required license or registration, when in the
10 opinion of the Secretary, the company, agent, or other entity
11 is violating or is about to violate any provision of this Act
12 or any law or of any rule or condition imposed in writing by
13 the Department.

14 The Secretary may issue the cease and desist order without
15 notice and before a hearing.

16 The Secretary shall have the authority to prescribe rules
17 for the administration of this Section.

18 If it is determined that the Secretary had the authority
19 to issue the cease and desist order, he may issue such orders
20 as may be reasonably necessary to correct, eliminate or remedy
21 such conduct.

22 Any person or company subject to an order pursuant to this
23 Section is entitled to judicial review of the order in
24 accordance with the provisions of the Administrative Review
25 Law.

26 The powers vested in the Secretary by this Section are

1 additional to any and all other powers and remedies vested in
2 the Secretary by law, and nothing in this Section shall be
3 construed as requiring that the Secretary shall employ the
4 powers conferred in this Section instead of or as a condition
5 precedent to the exercise of any other power or remedy vested
6 in the Secretary.

7 (Source: P.A. 98-398, eff. 1-1-14.)

8 (215 ILCS 155/19 rep.)

9 Section 10. The Title Insurance Act is amended by
10 repealing Section 19.

11 Section 99. Effective date. This Act takes effect upon
12 becoming law, except that Section 18.2 of the Title Insurance
13 Act takes effect September 1, 2022.

1 INDEX

2 Statutes amended in order of appearance

3	215 ILCS 155/3	from Ch. 73, par. 1403
4	215 ILCS 155/5	from Ch. 73, par. 1405
5	215 ILCS 155/12	from Ch. 73, par. 1412
6	215 ILCS 155/14	from Ch. 73, par. 1414
7	215 ILCS 155/16	from Ch. 73, par. 1416
8	215 ILCS 155/18	from Ch. 73, par. 1418
9	215 ILCS 155/18.2 new	
10	215 ILCS 155/21	from Ch. 73, par. 1421
11	215 ILCS 155/19 rep.	