

1 AN ACT concerning insurance.

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 adding  
5 Section 26 as follows:

6 (215 ILCS 155/26 new)

7 Sec. 26. Settlement funds.

8 (a) A title insurance company, title insurance agent, or  
9 independent escrowee shall not make disbursements in  
10 connection with any escrows, settlements, or closings out of a  
11 fiduciary trust account or accounts unless the funds in the  
12 aggregate amount of \$50,000 or greater received from any single  
13 party to the transaction are wired funds unconditionally held  
14 by and credited to the fiduciary trust account of the title  
15 insurance company, title insurance agent, or independent  
16 escrowee; are good funds as defined in paragraphs (6) or (7) of  
17 subsection (c) of this Section; or are collected funds as  
18 defined in subsection (d) of this Section.

19 (b) A title insurance company or title insurance agent  
20 shall not make disbursements in connection with any escrows,  
21 settlements, or closings out of a fiduciary trust account or  
22 accounts unless the funds in the amount of less than \$50,000  
23 received from any single party to the transaction are collected

1 funds or good funds as defined in subsection (c) of this  
2 Section.

3 (c) "Good funds" means funds in one of the following forms:

4 (1) lawful money of the United States;

5 (2) wired funds unconditionally held by and credited to  
6 the fiduciary trust account of the title insurance company,  
7 the title insurance agent, or independent escrowee;

8 (3) cashier's checks, certified checks, bank money  
9 orders, official bank checks, or teller's checks drawn on  
10 or issued by a financial institution chartered under the  
11 laws of any state or the United States and unconditionally  
12 held by the title insurance company, title insurance agent,  
13 or independent escrowee;

14 (4) a personal check or checks in an aggregate amount  
15 not exceeding \$5,000 per closing, provided that the title  
16 insurance company, title insurance agent, or independent  
17 escrowee has reasonable grounds to believe that sufficient  
18 funds are available for withdrawal in the account upon  
19 which the check is drawn at the time of disbursement;

20 (5) a check drawn on the trust account of any lawyer or  
21 real estate broker licensed under the laws of any state,  
22 provided that the title insurance company, title insurance  
23 agent, or independent escrowee has reasonable grounds to  
24 believe that sufficient funds are available for withdrawal  
25 in the account upon which the check is drawn at the time of  
26 disbursement;

1           (6) a check issued by this State, the United States, or  
2           a political subdivision of this State or the United States;  
3           or

4           (7) a check drawn on the fiduciary trust account of a  
5           title insurance company or title insurance agent, provided  
6           that the title insurance company, title insurance agent, or  
7           independent escrowee has reasonable grounds to believe  
8           that sufficient funds are available for withdrawal in the  
9           account upon which the check is drawn at the time of  
10           disbursement.

11           (d) "Collected funds" means funds deposited, finally  
12           settled, and credited to the title insurance company, title  
13           insurance agent, or independent escrowee's fiduciary trust  
14           account.

15           Section 99. Effective date. This Act takes effect January  
16           1, 2010.