

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 good funds as defined in
14 paragraphs (2), (6), or (7) of subsection (c) of this Section;
15 or are collected funds as defined in subsection (d) of this
16 Section.

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

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

2 (1) lawful money of the United States;

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

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

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

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

25 (6) a check issued by this State, the United States, or
26 a political subdivision of this State or the United States;

1 or

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

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

13 Section 99. Effective date. This Act takes effect January
14 1, 2010.