



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3902

Introduced 2/6/2026, by Sen. Mark L. Walker

SYNOPSIS AS INTRODUCED:

215 ILCS 155/3	from Ch. 73, par. 1403
215 ILCS 155/5.1 new	
215 ILCS 155/6	from Ch. 73, par. 1406
215 ILCS 155/12	from Ch. 73, par. 1412
215 ILCS 155/12.1 new	
215 ILCS 155/14	from Ch. 73, par. 1414
215 ILCS 155/16	from Ch. 73, par. 1416
215 ILCS 155/16.2 new	
215 ILCS 155/16.3 new	
215 ILCS 155/20	from Ch. 73, par. 1420
215 ILCS 155/21	from Ch. 73, par. 1421
215 ILCS 155/21.2	
215 ILCS 155/21.4 new	
215 ILCS 155/23	from Ch. 73, par. 1423

Amends the Title Insurance Act. Makes changes to defined terms. Prohibits any person from acting as a title insurance agent unless that person: (i) has been issued a license by the Secretary of Financial and Professional Regulation; and (ii) is registered with the Department of Financial and Professional Regulation by at least one title insurance company to perform core title agent services. Establishes disclosure requirements for criminal or disciplinary action involving a title insurance company, a title insurance agent, or independent escrowee. Requires every title insurance agent to obtain and maintain errors and omissions insurance or its equivalent in an amount that depends on whether the title insurance agent is also acting as an escrow agent. Sets forth provisions concerning requirements for the application of a title insurance agent license. Prohibits any individual, firm, association, partnership, or corporation from operating as a prelicensing or continuing education provider or administering examinations unless the provider holds a certification issued by the Department. Provides that the Secretary may set terms and conditions that a person shall be required to comply with during the term of probation for the person's authorization to operate. Effective immediately.

LRB104 20100 BAB 33551 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 3, 6, 12, 14, 16, 20, 21, 21.2, and 23 and by adding
6 Sections 5.1, 12.1, 16.2, 16.3, and 21.4 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"; ~~or~~

26 (F) Performing core title agent services.

1 (1.5) "Title insurance" means insuring, guaranteeing,
2 warranting, or indemnifying owners of real or personal
3 property or the holders of liens or encumbrances thereon or
4 others interested therein against loss or damage suffered by
5 reason of liens, encumbrances upon, defects in, or the
6 unmarketability of the title to the property; the invalidity
7 or unenforceability of any liens or encumbrances thereon; or
8 doing any business in substance equivalent to any of the
9 foregoing. "Warranting" for purpose of this provision shall
10 not include any warranty contained in instruments of
11 encumbrance or conveyance. Title insurance is a single line
12 form of insurance, also known as monoline. An attorney's
13 opinion of title pursuant to paragraph (1)(C) is not intended
14 to be within the definition of "title insurance".

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

21 (3) "Title insurance agent" or "agent" means a person
22 licensed under this Act and, ~~firm, partnership, association,~~
23 ~~corporation or other legal entity~~ registered by a title
24 insurance company with the Department to (i) perform core
25 title agent services or (ii) and authorized by such company to
26 ~~determine insurability of title in accordance with generally~~

1 ~~acceptable underwriting rules and standards in reliance on~~
2 ~~either the public records or a search package prepared from a~~
3 ~~title plant, or both, and authorized by such title insurance~~
4 ~~company in addition to~~ do any of the following: act as an
5 escrow agent pursuant to subsections (f), (g), and (h) of
6 Section 16 of this Act, solicit title insurance, collect
7 premiums, or issue title insurance commitments, policies, and
8 endorsements of the title insurance company; provided,
9 however, the term "title insurance agent" shall not include
10 officers and salaried employees of any title insurance
11 company.

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

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

1 title business; and any natural person or legal entity with
2 whom a producer of title business has any agreement,
3 arrangement, or understanding or pursues any course of conduct
4 the purpose of which is to evade the provisions of this Act.

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

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

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

23 (9) "Independent Escrowee" means any firm, person,
24 partnership, association, corporation or other legal entity,
25 other than a title insurance company or a title insurance
26 agent, which receives deposits, in trust, of funds or

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

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

1 exceed the insured amount of the fee or leasehold title
2 insurance policy.

3 (11) "Department" means the Department of Financial and
4 Professional Regulation.

5 (12) "Secretary" means the Secretary of Financial and
6 Professional Regulation or the Secretary's authorized
7 representative.

8 (13) "Insured closing letter" or "closing protection
9 letter" means an indemnification or undertaking to a party to
10 a real property transaction, from a principal such as a title
11 insurance company, setting forth in writing the extent of the
12 principal's responsibility for intentional misconduct or
13 errors in closing the real property transaction on the part of
14 a settlement agent, such as a title insurance agent or other
15 settlement service provider, or an indemnification or
16 undertaking given by a title insurance company or an
17 independent escrowee setting forth in writing the extent of
18 the title insurance company's or independent escrowee's
19 responsibility to a party to a real property transaction which
20 indemnifies the party against the intentional misconduct or
21 errors in closing the real property transaction on the part of
22 the title insurance company or independent escrowee and
23 includes protection afforded pursuant to subsections (f), (g),
24 and (h) of Section 16, Section 16.1, subsection (h) of Section
25 17, and Section 17.1 of this Act even if such protection is
26 afforded by contract.

1 (14) "Residential real property" means a building or
2 buildings consisting of one to 4 residential units or a
3 residential condominium unit where at least one of the
4 residential units or condominium units is occupied or intended
5 to be occupied as a residence by the purchaser or borrower, or
6 in the event that the purchaser or borrower is the trustee of a
7 trust, by a beneficiary of that trust.

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

16 (16) "Core title agent services" means the performance of
17 the following services for which liability arises, and which
18 shall be separate from, and shall not be duplicative of, any
19 other professional service, including, without limitation, the
20 practice of law and the performance of services as a real
21 estate licensee:

22 (A) reviewing and evaluating title, tax, judgment,
23 lien, and other searches or search products, private title
24 plant records, records of grantor-grantee and other
25 indices, public records and other records, and any other
26 information and materials that are relevant to a

1 particular property and transaction to determine
2 insurability of title to the property;

3 (B) issuing or causing to be issued the title
4 commitments on behalf of a title insurance company,
5 including the determination of the conditions under which
6 the title insurance company shall issue the title
7 insurance policies required in a particular transaction;

8 (C) determining whether the requirements stated on the
9 title insurance commitments have been met and whether the
10 objections and requirements stated on the title insurance
11 commitments may be cleared, waived, or insured over in
12 accordance with applicable law and the title insurance
13 company's underwriting requirements, principles, and
14 guidelines; and

15 (D) issuing or causing to be issued the title
16 insurance policies for a particular transaction when all
17 conditions for the issuance have been satisfied.

18 (17) "Person" means any individual, partnership, joint
19 venture, trust, estate, firm, corporation, cooperative society
20 or association, or any other form of business association or
21 legal entity.

22 (18) "Designated licensee" means the licensed individual
23 who has a financial interest in or is an employee of a title
24 insurance agent who is a firm, partnership, association,
25 corporation, or other legal entity who a title insurance agent
26 designates as responsible for its compliance with this Act,

1 its implementing rules, and all other applicable law.

2 (19) "Authorization to operate" means a license,
3 certificate of authority, certification, registration, or any
4 other authorization to conduct activities pursuant to this
5 Act.

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

7 (215 ILCS 155/5.1 new)

8 Sec. 5.1. License required.

9 (a) It is unlawful for any person to hold itself out to be
10 a title insurance agent unless first procuring from the
11 Secretary a license subject to the requirements of this Act.

12 (b) Every individual and firm, partnership, association,
13 corporation, or other legal entity registered as a title
14 insurance agent before the date set by the Secretary by rule
15 shall be deemed to satisfy the requirements for a license and
16 be a licensed title agent under the Act pursuant to the rules
17 and procedures the Secretary adopts.

18 (c) Every title insurance agent that is a firm,
19 partnership, association, corporation, or other registered
20 legal entity shall designate a designated licensee by the date
21 set by the Department by rule. An individual shall not
22 simultaneously act as a designated licensee for more than one
23 firm, partnership, association, corporation, or other legal
24 entity.

25 (d) The changes made by this amendatory Act of the 104th

1 General Assembly do not relieve any person of its other
2 obligations under this Act before or after the effective date
3 of this amendatory Act of the 104th General Assembly.

4 (215 ILCS 155/6) (from Ch. 73, par. 1406)

5 Sec. 6. Reinsurance.

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

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

20 (b) A title insurance company that is issued a certificate
21 of authority ~~licensed~~ to do business in this State shall
22 retain at least \$100,000 of primary liability for policies it
23 issues, unless a lesser sum is authorized by the Secretary. A
24 lesser sum may be retained at the request of an insured for a
25 particular policy. This subsection (b) applies only to

1 policies issued on or after the effective date of this
2 amendatory Act of the 94th General Assembly.

3 (Source: P.A. 100-570, eff. 6-1-18.)

4 (215 ILCS 155/12) (from Ch. 73, par. 1412)

5 Sec. 12. Examinations; compliance.

6 (a) The Secretary may visit and examine any title
7 insurance company, title insurance agent, or independent
8 escrowee doing business under this Act to verify and ensure
9 compliance with any applicable law governing the title
10 insurance company, title insurance agent, or independent
11 escrowee. Expenses incurred in the course of such examinations
12 shall be the responsibility of the title insurance company,
13 title insurance agent, or independent escrowee.

14 (b) Each person subject to this Act shall make available
15 to the Secretary upon request the books and records relating
16 to the person's title insurance business subject to this Act.
17 The Secretary shall have access to those books and records and
18 may interview the officers, principals, employees, independent
19 contractors, agents, and customers of the licensee,
20 individual, or person subject to this Act concerning the
21 person's business under this Act.

22 (c) The Secretary shall have the power to subpoena
23 documents and witnesses and compel attendance of the
24 witnesses, administer oaths, and require the production of any
25 books, papers, written reports, or other materials relevant to

1 activities governed by this Act.

2 ~~(a) The Secretary or his authorized representative shall~~
3 ~~have the power and authority, and it shall be his duty, to~~
4 ~~cause to be visited and examined annually any title insurance~~
5 ~~company doing business under this Act, and to verify and~~
6 ~~compel compliance with the provisions of law governing it.~~

7 ~~(b) The Secretary or his authorized agent shall have power~~
8 ~~and authority to compel compliance with the provisions of this~~
9 ~~Act and shall, only upon the showing of good cause, require any~~
10 ~~title insurance company to take all legal means to obtain the~~
11 ~~appropriate records of its registered agents and make them~~
12 ~~available for examination at a time and place designated by~~
13 ~~the Secretary. Expenses incurred in the course of such~~
14 ~~examinations will be the responsibility of the title insurance~~
15 ~~company. In the event that a present or former registered~~
16 ~~agent or its successor refuses or is unable to cooperate with a~~
17 ~~title insurance company in furnishing the records requested by~~
18 ~~the Secretary or his or her authorized agent, then the~~
19 ~~Secretary or his or her authorized agent shall have the power~~
20 ~~and authority to obtain those records directly from the~~
21 ~~registered agent.~~

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

23 (215 ILCS 155/12.1 new)

24 Sec. 12.1. Notice of decision.

25 (a) A title insurance company, a title insurance agent, or

1 independent escrowee and every owner, officer, director,
2 principal, member, manager, or designated licensee of a title
3 insurance company, title insurance agent, or independent
4 escrowee shall notify the Secretary, in a manner prescribed by
5 the Secretary, within 30 days after the occurrence of:

6 (1) any conviction of or plea of guilty or nolo
7 contendere to any felony or misdemeanor, an essential
8 element of which is dishonesty or fraud or larceny,
9 embezzlement, or obtaining money, property, or credit by
10 false pretenses or by means of a confidence game entered
11 against the person; or

12 (2) any discipline against them by another state, the
13 District of Columbia, a territory, foreign nation, a
14 governmental agency, or any entity authorized to impose
15 discipline if at least one of the grounds for that
16 discipline is the same as or equivalent to one of the
17 grounds for which a title insurance company, title
18 insurance agent, or independent escrowee may be
19 disciplined under this Act or if at least one of the
20 grounds for that discipline involves dishonesty.

21 (b) This Section does not require reporting by an employee
22 of a title insurance company, title insurance agent, or
23 independent escrowee that is not an owner, officer, director,
24 principal, member, manager, or designated licensee of the
25 title insurance company, title insurance agent, or independent
26 escrowee. No person shall be required to comply with this

1 Section before the date set by the Secretary by rule.

2 (215 ILCS 155/14) (from Ch. 73, par. 1414)

3 Sec. 14. Fees.

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

6 (1) for filing the original application for a
7 certificate of authority and receiving the deposit
8 required under this Act, \$2,000 ~~\$500~~;

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

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

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

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

15 (b) Each title insurance company shall remit, for all of
16 its title insurance agents subject to this Act for filing an
17 annual registration of its agents, an amount equal to \$8 ~~\$3~~ for
18 each policy issued by all of its agents in the immediately
19 preceding calendar year.

20 (c) Every title insurance agent subject to this Act shall
21 pay the following nonrefundable fees:

22 (1) for filing the original application for a license
23 required under this Act, \$200; and

24 (2) for filing a renewal application for a license
25 required under this Act, \$100.

1 (d) Every title insurance education and examination
2 provider subject to this Act shall pay the following
3 nonrefundable fees:

4 (1) for filing the original application for
5 certification pursuant to Section 16.2, \$500;

6 (2) for filing a renewal application for certification
7 pursuant to Section 16.2, \$100; and

8 (3) for filing the original submission of materials
9 for each course of study and examination for approval,
10 \$100.

11 (e) Every title insurance agent shall be responsible for
12 paying any costs or fees required under this Act with respect
13 to the licensing and renewal applications and testing.

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

15 (215 ILCS 155/16) (from Ch. 73, par. 1416)

16 Sec. 16. Title insurance agents.

17 (a) No person, ~~firm, partnership, association, corporation~~
18 ~~or other legal entity~~ shall act as or hold itself out to be a
19 title insurance agent unless duly registered by a title
20 insurance company with the Secretary.

21 (b) Each application for registration shall be made on a
22 form specified by the Secretary and prepared by each title
23 insurance company which the agent represents. The title
24 insurance company shall retain the copy of the application and
25 forward a copy to the Secretary.

1 (c) Every applicant for registration, except a firm,
2 partnership, association, limited liability company, or
3 corporation, must be 18 years or more of age. Included in every
4 application for registration of a title insurance agent,
5 including a firm, partnership, association, limited liability
6 company, or corporation, shall be an affidavit of the
7 applicant title insurance agent, signed and notarized in front
8 of a notary public, affirming that the applicant and every
9 owner, officer, director, principal, member, or manager of the
10 applicant has never been convicted or pled guilty to any
11 felony or misdemeanor involving a crime of theft or dishonesty
12 or otherwise accurately disclosing any such felony or
13 misdemeanor involving a crime of theft or dishonesty. No
14 person who has had a conviction or pled guilty to any felony or
15 misdemeanor involving theft or dishonesty may be registered by
16 a title insurance company without a written notification to
17 the Secretary disclosing the conviction or plea, and no such
18 person may serve as an owner, officer, director, principal, or
19 manager of any registered title insurance agent without the
20 written permission of the Secretary.

21 (d) Registration shall be made annually by a filing with
22 the Secretary; supplemental registrations for new title
23 insurance agents to be added between annual filings shall be
24 made from time to time in the manner provided by the Secretary;
25 registrations shall remain in effect unless revoked or
26 suspended by the Secretary or voluntarily withdrawn by the

1 registrant or the title insurance company.

2 (e) Funds deposited in connection with any escrows,
3 settlements, or closings shall be deposited into ~~in~~ a separate
4 fiduciary trust account or accounts in a bank or other
5 financial institution insured by an agency of the federal
6 government unless the instructions provide otherwise. The
7 funds shall be the property of the person or persons entitled
8 thereto under the provisions of the escrow, settlement, or
9 closing and shall be segregated by escrow, settlement, or
10 closing in the records of the escrow agent. The funds shall not
11 be subject to any debts of the escrowee and shall be used only
12 in accordance with the terms of the individual escrow,
13 settlement, or closing under which the funds were accepted.

14 Interest received on funds deposited with the escrow agent
15 in connection with any escrow, settlement, or closing shall be
16 paid to the depositing party unless the instructions provide
17 otherwise.

18 The escrow agent shall maintain separate records of all
19 receipts and disbursements of escrow, settlement, or closing
20 funds.

21 The escrow agent shall comply with any rules adopted by
22 the Secretary pertaining to escrow, settlement, or closing
23 transactions.

24 (f) A title insurance agent shall not act as an escrow
25 agent in a nonresidential real property transaction where the
26 amount of settlement funds on deposit with the escrow agent is

1 less than \$2,000,000 or in a residential real property
2 transaction unless the title insurance agent, title insurance
3 company, or another authorized title insurance agent has
4 committed for the issuance of title insurance in that
5 transaction and the title insurance agent is authorized to act
6 as an escrow agent on behalf of the title insurance company for
7 which the commitment for title insurance has been issued. The
8 authorization under the preceding sentence shall be given
9 either (1) by an agency contract with the title insurance
10 company which contract, in compliance with the requirements
11 set forth in subsection (g) of this Section, authorizes the
12 title insurance agent to act as an escrow agent on behalf of
13 the title insurance company or (2) by a closing protection
14 letter in compliance with the requirements set forth in
15 Section 16.1 of this Act, issued by the title insurance
16 company to the seller, buyer, borrower, and lender. A closing
17 protection letter shall not be issued by a title insurance
18 agent. The provisions of this subsection (f) shall not apply
19 to the authority of a title insurance agent to act as an escrow
20 agent under subsection (g) of Section 17 of this Act.

21 (g) If an agency contract between the title insurance
22 company and the title insurance agent is the source of the
23 authority under subsection (f) of this Section for a title
24 insurance agent to act as escrow agent for a real property
25 transaction, then the agency contract shall provide for no
26 less protection from the title insurance company to all

1 parties to the real property transaction than the title
2 insurance company would have provided to those parties had the
3 title insurance company issued a closing protection letter in
4 conformity with Section 16.1 of this Act.

5 (h) A title insurance company shall be liable for the acts
6 or omissions of its title insurance agent as an escrow agent if
7 the title insurance company has authorized the title insurance
8 agent under subsections (f) and (g) of this Section 16 and only
9 to the extent of the liability undertaken by the title
10 insurance company in the agency agreement or closing
11 protection letter. The liability, if any, of the title
12 insurance agent to the title insurance company for acts and
13 omissions of the title insurance agent as an escrow agent
14 shall not be limited or otherwise modified because the title
15 insurance company has provided closing protection to a party
16 or parties to a real property transaction escrow, settlement,
17 or closing. The escrow agent shall not charge a fee for
18 protection provided by a title insurance company to parties to
19 real property transactions under subsections (f) and (g) of
20 this Section 16 and Section 16.1, but shall collect from the
21 parties the fee charged by the title insurance company and
22 shall promptly remit the fee to the title insurance company.
23 The title insurance company may charge the parties a
24 reasonable fee for protection provided pursuant to subsections
25 (f) and (g) of this Section 16 and Section 16.1 and shall not
26 pay any portion of the fee to the escrow agent. The payment of

1 any portion of the fee to the escrow agent by the title
2 insurance company, shall be deemed a prohibited inducement or
3 compensation in violation of Section 24 of this Act.

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

8 (j) The Secretary may by rule waive, amend, or supersede
9 the requirements set forth in this Section for registration of
10 title insurance agents by title insurance companies on or
11 after the date licensing of title insurance agents begins
12 pursuant to Section 16.2.

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

15 (215 ILCS 155/16.2 new)

16 Sec. 16.2. Title insurance agent licensing.

17 (a) No person shall act as a title insurance agent unless
18 that person: (i) has been issued a license by the Secretary;
19 and (ii) is registered with the Department by at least one
20 title insurance company to perform core title agent services.

21 (b) Title insurance companies shall follow the current
22 registration process for title insurance agents as set forth
23 in Section 16 prior to the date set by the Secretary by rule
24 for the licensing of title insurance agents. No title
25 insurance agent shall be licensed under this Act prior to the

1 date set forth by the Secretary by rule.

2 (c) Every title insurance agent also acting as an escrow
3 agent shall obtain and maintain errors and omissions insurance
4 or its equivalent, such as malpractice insurance covering
5 title insurance agent and escrow services, in a coverage and
6 deductible amount acceptable to the title insurance company
7 authorizing the agent, but in any event in an amount no less
8 than \$500,000 per claim and an aggregate limit of \$1,000,000.

9 Every title insurance agent not acting as an escrow agent
10 shall obtain and maintain errors and omissions insurance or
11 its equivalent, such as malpractice insurance covering title
12 insurance agent, in a coverage and deductible amount
13 acceptable to the title insurance company authorizing the
14 agent, but in any event in an amount no less than \$250,000 per
15 claim and an aggregate limit of \$500,000. A title insurance
16 company shall not provide the errors and omissions insurance
17 directly or indirectly on behalf of a title insurance agent.

18 If errors and omissions insurance is unavailable generally,
19 the Secretary shall adopt rules for alternative methods to
20 comply with this subsection. No title insurance agent shall be
21 required to comply with this subsection until the date the
22 Secretary sets by rule.

23 (d) Each application for a license shall be made on a form
24 specified by the Secretary and submitted to the Secretary by
25 the title insurance agent.

26 (e) License applications shall comply with the following:

1 (1) Every applicant for a license, except a firm,
2 partnership, association, corporation, or other legal
3 entity, must be 18 years or more of age.

4 (2) Every applicant for a license that is a firm,
5 partnership, association, corporation, or other legal
6 entity shall designate a designated licensee that is
7 licensed as an agent under the Act. An employee of the
8 title insurance agent who performs core title agent
9 services on behalf of the title insurance agent is not
10 required to obtain a license. No person whose title
11 insurance agent license is revoked or suspended by the
12 Secretary or is the owner, officer, director, principal,
13 member, manager, or designated licensee of a title
14 insurance agent whose license is revoked or suspended by
15 the Secretary may be employed by a title insurance agent
16 to perform core title agent services or be the owner,
17 officer, director, principal, member, manager, or
18 designated licensee without: (i) a written notification to
19 the Secretary disclosing the revoked or suspended status
20 and (ii) written permission from the Secretary.

21 (3) Included in every application for a license of a
22 title insurance agent, including a firm, partnership,
23 association, corporation, or other legal entity, shall be
24 an affidavit of the applicant title insurance agent,
25 signed and notarized in front of a notary public,
26 affirming that the applicant and every owner, officer,

1 director, principal, member, or manager of the applicant,
2 and any entity owned by such person or persons: (i) has
3 never been convicted of, pled guilty, or pled no contest
4 to any felony or misdemeanor involving a crime of theft or
5 dishonesty, or accurately disclosing any such felony or
6 misdemeanor involving a crime of theft or dishonesty, and
7 (ii) has not been denied a license or had a license revoked
8 or suspended by a governmental agency or disciplinary body
9 based on findings of theft or dishonesty. No person or
10 entity owned by such person having been convicted of, pled
11 guilty to, or pled no contest to any felony or misdemeanor
12 involving theft or dishonesty or having had a license
13 revoked, suspended, or denied may be issued a license by
14 the Secretary or appointed by a title insurance company
15 without a written notification to the Secretary disclosing
16 the conviction, plea, revocation, suspension, or denial,
17 and no such person may serve as an owner, officer,
18 director, principal, or manager of any title insurance
19 agent without the written permission of the Secretary.

20 (4) Included with the initial application for a
21 license of a title insurance agent shall be:

22 (A) for an individual, proof that the applicant
23 has passed, with a score of no less than 70%, an
24 examination required by the Secretary demonstrating
25 reasonable familiarity with:

26 (i) ethical practices, duties, and

1 responsibilities of a title agent;

2 (ii) how title insurance policy claims arise;

3 (iii) introduction to title insurance,
4 including requirements of the Illinois Title
5 Insurance Act and administrative rules;

6 (iv) Illinois real property law, including,
7 but not limited to, forms of ownership,
8 conveyances, testate or intestate succession of
9 title, taxes, judgments, liens, and surveys;

10 (v) core title agent services;

11 (vi) title examinations and methods, title
12 objections, policy and endorsement forms, waivers
13 of policy exceptions, and escrow procedures;

14 (vii) introduction to escrow and settlement
15 rules and regulations;

16 (viii) accounting practices for escrow agents
17 and title agents;

18 (ix) financial responsibilities of a title
19 agent outside of escrow; and

20 (x) principles of the federal Real Estate
21 Settlement Procedures Act (12 U.S.C. 2601 et
22 seq.).

23 The examination required in this subsection must
24 have been taken and passed with a score of no less than
25 70% by the applicant within 365 days after submission
26 of the initial license application.

1 (B) For an individual, proof that the applicant
2 has satisfied a prelicensing education requirement of
3 at least 8 credit hours on the subjects set forth in
4 this Section prior to taking the examination required
5 by the Secretary.

6 (C) For a firm, partnership, association,
7 corporation, or other legal entity, proof that it has
8 a designated licensee that holds a title insurance
9 agent license in good standing pursuant to this Act.

10 (D) Information related to the competence,
11 character, and general fitness of the applicant and,
12 if applicable, any owner, officers, directors,
13 principal, member, manager, and designated licensee.

14 (E) For escrow agents, information related to the
15 financial condition and responsibility of the
16 applicant and, if applicable, owners, officers,
17 directors, principals, members, and managers.

18 (5) Every initial or renewal application shall include
19 proof that the applicant or agent is in compliance with
20 the errors and omissions insurance requirement and
21 continuing education requirements set forth in this Act
22 and other information required by the Secretary.

23 (f) A license shall be valid for 2 years or a period of
24 time determined by the Department by rule. The Secretary shall
25 set the form and timing of the renewal by rule. Licenses shall
26 remain in effect during the applicable period unless revoked

1 or suspended by the Secretary or voluntarily withdrawn by the
2 title insurance agent. A license shall also remain in effect
3 after the applicable period if the licensee timely submits the
4 licensee's complete and accurate renewal application and fee
5 until the Department approves or denies the renewal.

6 (g) The Department may by rule set reciprocal licensing
7 standards and qualifications for persons licensed in another
8 state intending to do business in this State.

9 (h) Agents applying for renewal must complete a continuing
10 education requirement of at least 8 credit hours on the
11 subjects set forth in this Section prior to submission of the
12 renewal application. An agent that acts as an escrow agent
13 must complete an additional 4 credit hours on the subjects set
14 forth in this Section prior to submission of the renewal
15 application. Agents shall provide proof of completion to the
16 Department.

17 (i) For a firm, partnership, association, corporation, or
18 other legal entity, proof that its designated licensee has
19 complied with subsection (h) shall satisfy the continuing
20 education requirements of this Act.

21 (j) An agent who is an attorney in good standing currently
22 registered with the Attorney Registration and Disciplinary
23 Commission of the Supreme Court of Illinois or the equivalent
24 in another jurisdiction shall be able to satisfy the
25 requirements set forth in subsection (h) through completion of
26 mandatory continuing legal education (MCLE) credit hours of

1 the equivalent in another jurisdiction if those credit hours
2 relate to real estate transactions or title insurance and the
3 agent provides proof of completion to the Department.

4 (k) For purposes of reciprocity between states under the
5 terms of this Act, a person is a resident of this State if that
6 person resides in this State or the principal place of
7 business of that person is maintained in this State. All other
8 persons shall be considered nonresidents. A satisfaction by a
9 nonresident title insurance agent of the continuing education
10 requirements of the nonresident's home state for licensed
11 title insurance agents or producers shall constitute
12 satisfaction of the continuing education requirements of this
13 State if the home state of the nonresident title insurance
14 agent or producer recognizes the satisfaction of its
15 continuing education requirements imposed upon producers from
16 this State on the same basis.

17 (l) The Secretary may establish by rule standards and
18 processes related to the education requirements set forth in
19 this Section for agents.

20 (215 ILCS 155/16.3 new)

21 Sec. 16.3. Education and examination providers.

22 (a) No individual, firm, association, partnership, or
23 corporation may operate as a prelicensing or continuing
24 education provider or administer examinations unless the
25 provider holds a certification issued by the Department. The

1 Secretary shall adopt rules regarding the standards and
2 qualifications of education and examination providers.

3 (b) The Secretary shall set the frequency, timing, and
4 form of renewal for providers by rule. Certifications shall
5 remain in effect during the applicable period unless revoked
6 or suspended by the Secretary. A certification shall also
7 remain in effect after the applicable period if the provider
8 timely submits the provider's complete and accurate renewal
9 application and fee until the Department approves or denies
10 the renewal application.

11 (c) A provider shall submit to the Department materials
12 for courses of study and examinations for approval prior to
13 the use of such materials.

14 (d) If a provider wishes to substantially change approved
15 materials for courses of study or examinations, a copy of the
16 proposed revisions must be sent to the Department for approval
17 prior to the use of such materials.

18 (e) The Department may by rule set standards and processes
19 for continuing education providers.

20 (215 ILCS 155/20) (from Ch. 73, par. 1420)

21 Sec. 20. Rules and regulations. In addition to the
22 rulemaking authority expressly provided elsewhere in this Act,
23 the ~~The~~ Secretary shall rely upon federal regulations and
24 opinion letters and may adopt rules and regulations as needed
25 to implement, administer, and interpret the provisions of this

1 Act.

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

3 (215 ILCS 155/21) (from Ch. 73, par. 1421)

4 Sec. 21. Regulatory action.

5 (a) The Secretary may refuse to grant, and may suspend or
6 revoke or place on probationary status, any authorization to
7 operate ~~certificate of authority, registration, or license~~
8 issued pursuant to this Act or may impose a fine for a
9 violation of this Act if the Secretary determines ~~he~~
10 ~~determines~~ that the holder of or applicant for such
11 authorization to operate or a person requiring authorization
12 to operate under this Act; an owner, officer, director,
13 principal, member, manager, or designated licensee of a title
14 insurance company, title insurance agent, or independent
15 escrowee; or a person requiring a license under this Act
16 ~~certificate, registration or license:~~

17 (1) has intentionally made a material misstatement or
18 fraudulent misrepresentation in relation to a matter
19 covered by this Act;

20 (2) has misappropriated or tortiously converted to its
21 own use, or illegally withheld, monies held in a fiduciary
22 capacity;

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

1 (4) has materially misrepresented the terms or
2 conditions of contracts or agreements to which it is a
3 party;

4 (5) has paid any commissions, discounts or any part of
5 its premiums, fees or other charges to any person in
6 violation of any State or federal law or regulations or
7 opinion letters issued under the federal Real Estate
8 Settlement Procedures Act of 1974;

9 (6) has failed to comply with the deposit and reserve
10 requirements of this Act or any other requirements of this
11 Act;

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

15 (8) has a conviction or plea of guilty or plea of nolo
16 contendere in this State or any other jurisdiction to (i)
17 any felony or (ii) a misdemeanor, an essential element of
18 which is dishonesty or fraud or larceny, embezzlement, or
19 obtaining money, property, or credit by false pretenses or
20 by means of a confidence game;

21 (9) has been disciplined by another state, the
22 District of Columbia, a territory, foreign nation, a
23 governmental agency, or any entity authorized to impose
24 discipline if at least one of the grounds for that
25 discipline is the same as or equivalent to one of the
26 grounds for which a title insurance company, title

1 insurance agent, or independent escrowee may be
2 disciplined under this Act or if at least one of the
3 grounds for that discipline involves dishonesty; a
4 certified copy of the record of the action by the other
5 state or jurisdiction shall be prima facie evidence
6 thereof;

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

9 (11) has knowingly and willfully made any substantial
10 misrepresentation or untruthful advertising;

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

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

17 (14) has engaged in dishonorable, unethical, or
18 unprofessional conduct of a character likely to deceive,
19 defraud, or harm the public;

20 (15) has violated the terms of a disciplinary order
21 issued by the Department;

22 (16) has disregarded or violated any provision of this
23 Act or the published rules adopted by the Department to
24 enforce this Act or has aided or abetted any person
25 ~~individual, partnership, registered limited liability~~
26 ~~partnership, limited liability company, or corporation in~~

1 disregarding any provision of this Act or the published
2 rules; or

3 (17) has acted as a title insurance company, title
4 insurance agent, ~~or~~ independent escrowee, education
5 provider, or examination provider without the proper
6 authorization to operate ~~a certificate of authority,~~
7 ~~registration, or license~~ after the title insurance
8 company, title insurance agent, ~~or~~ independent escrowee,
9 education provider, or examination provider's
10 authorization to operate ~~escrowee's certificate of~~
11 ~~authority, registration, or license~~ was inoperative.

12 (a-5) A person may also receive disciplinary action as
13 described in subsection (a) if a fact or condition exists
14 that, if it existed or had been known at the time the person
15 applied for an authorization to operate, then it would have
16 been grounds for denying the application.

17 (b) For all orders authorized by this Act ~~In every case~~
18 ~~where a registration or certificate is suspended or revoked,~~
19 ~~or an application for a registration or certificate or renewal~~
20 ~~thereof is refused,~~ the Secretary shall serve notice of the
21 Secretary's ~~his~~ action, including a statement of the reasons
22 for the ~~his~~ action, as provided by this Act, and the person
23 served may request a hearing within 30 days after the date of
24 service. When a notice of suspension or revocation of a
25 certificate of authority is given to a title insurance
26 company, the Secretary shall also notify all the registered

1 agents of that title insurance company of the Secretary's
2 action. Except as otherwise authorized by this Act, all orders
3 shall take effect 30 days after the date of service, except
4 that, if a hearing is requested, the order shall be stayed
5 pending entry of a final administrative decision.

6 (c) (Blank). ~~In the case of a refusal to issue or renew a~~
7 ~~certificate or accept a registration, the applicant or~~
8 ~~registrant may request in writing, within 30 days after the~~
9 ~~date of service, a hearing. In the case of a refusal to renew,~~
10 ~~the expiring registration or certificate shall be deemed to~~
11 ~~continue in force until 30 days after the service of the notice~~
12 ~~of refusal to renew, or if a hearing is requested during that~~
13 ~~period, until a final order is entered pursuant to such~~
14 ~~hearing.~~

15 (d) (Blank). ~~The suspension or revocation of a~~
16 ~~registration or certificate shall take effect upon service of~~
17 ~~notice thereof. The holder of any such suspended registration~~
18 ~~or certificate may request in writing, within 30 days of such~~
19 ~~service, a hearing.~~

20 (e) In cases of suspension or revocation of an
21 authorization to operate ~~registration pursuant to subsection~~
22 ~~(a)~~, the Secretary may, in the public interest, issue an
23 emergency order of suspension or revocation which shall take
24 effect upon service of notification thereof. Such order shall
25 become final 30 ~~60~~ days after ~~from~~ the date of service unless
26 the person ~~registrant~~ requests in writing, within such 30 ~~60~~

1 days, a formal hearing thereon. In the event a hearing is
2 requested, the order shall remain temporary and in effect
3 until a final order is entered pursuant to such hearing.

4 (f) ~~Hearings~~ Hearing shall be conducted pursuant to 38
5 Ill. Adm. Code 100, as amended or recodified from time to time,
6 and held at such time and place reasonably ~~as may be~~ designated
7 by the Secretary either in the City of Springfield, the City of
8 Chicago, or in the county in which the principal business
9 office of the affected registrant or certificate holder is
10 located.

11 (g) The suspension or revocation of an authorization to
12 operate a registration or certificate or the refusal to issue
13 or renew an authorization to operate a registration or
14 certificate shall not in any way limit or terminate the
15 responsibilities of any registrant, ~~or~~ certificate holder, or
16 licensee arising under any policy or contract of title
17 insurance to which it is a party. No new contract or policy of
18 title insurance may be issued, nor may any existing policy or
19 contract to title insurance be renewed by any registrant, ~~or~~
20 certificate holder, or licensee during any period of
21 suspension or revocation of a registration, ~~or~~ certificate, or
22 license.

23 (h) The Secretary may issue a cease and desist order to a
24 title insurance company, agent, or other entity doing business
25 without the required authorization to operate ~~license or~~
26 ~~registration~~, when in the opinion of the Secretary, the

1 company, agent, or other entity is violating or is about to
2 violate any provision of this Act or any law or of any rule or
3 condition imposed in writing by the Department.

4 The Secretary may issue the cease and desist order without
5 notice and before a hearing.

6 The Secretary shall have the authority to prescribe rules
7 for the administration of this Section.

8 If it is determined that the Secretary had the authority
9 to issue the cease and desist order, he may issue such orders
10 as may be reasonably necessary to correct, eliminate or remedy
11 such conduct.

12 Any person or company subject to an order pursuant to this
13 Section is entitled to judicial review of the order in
14 accordance with the provisions of the Administrative Review
15 Law.

16 The powers vested in the Secretary by this Section are
17 additional to any and all other powers and remedies vested in
18 the Secretary by law, and nothing in this Section shall be
19 construed as requiring that the Secretary shall employ the
20 powers conferred in this Section instead of or as a condition
21 precedent to the exercise of any other power or remedy vested
22 in the Secretary.

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

24 (215 ILCS 155/21.2)

25 Sec. 21.2. Notice.

1 (a) Notice of any action by the Secretary under this Act or
2 regulations or orders promulgated under it shall be made
3 either personally or by registered or certified mail, return
4 receipt requested, and by sending a copy of the notice by
5 telephone facsimile or electronic mail, if known and
6 operating, and if unknown or not operating, then by regular
7 mail. Service by mail shall be deemed completed if the notice
8 is deposited as registered or certified mail in the post
9 office, postage paid, addressed to the last known address
10 specified in the application for the authorization to operate
11 ~~certificate of authority to do business or certificate of~~
12 ~~registration~~ of the holder or registrant.

13 (b) The Secretary shall notify all ~~registered~~ agents of a
14 title insurance company when that title insurance company's
15 authorization to operate ~~certificate of authority~~ is suspended
16 or revoked.

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

18 (215 ILCS 155/21.4 new)

19 Sec. 21.4. Probation. The Secretary may set terms and
20 conditions that a person shall be required to comply with
21 during the term of probation for the person's authorization to
22 operate.

23 (215 ILCS 155/23) (from Ch. 73, par. 1423)

24 Sec. 23. Violation; penalties.

1 (a) Any violation of any of the provisions of this Act and,
2 beginning January 1, 2013, any violation of any of the
3 provisions of Article 3 of the Residential Real Property
4 Disclosure Act shall constitute a business offense and shall
5 subject the party violating the same to a penalty of \$1000 for
6 each offense.

7 (b) Nothing contained in this Section shall affect the
8 right of the Secretary to revoke or suspend an authorization
9 to operate under ~~a title insurance company's or independent~~
10 ~~escrowee's certificate of authority or a title insurance~~
11 ~~agent's registration under any other Section of~~ this Act.

12 (Source: P.A. 97-891, eff. 8-3-12.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.