

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Title Insurance Act is amended by changing Sections 14 and 16 as follows:

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

Sec. 14. Fees.

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

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

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

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

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

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

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

(Source: P.A. 93-32, eff. 7-1-03; 94-893, eff. 6-20-06.)

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

Sec. 16. Title insurance agents.

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

(b) Each application for registration shall be made on a form specified by the Secretary and prepared ~~in duplicate~~ by each title insurance company which the agent represents. The title insurance company shall retain the copy of the application and forward a copy ~~the original~~ to the Secretary ~~with the appropriate fee.~~

(c) Every applicant for registration, except a firm, partnership, association, limited liability company, or corporation, must be 18 years or more of age. Included in every application for registration of a title insurance agent, including a firm, partnership, association, limited liability company, or corporation, shall be an affidavit of the applicant title insurance agent, signed and notarized in front of a notary public, affirming that the applicant and every owner, officer, director, principal, member, or manager of the applicant has never been convicted or pled guilty to any felony or misdemeanor involving a crime of theft or dishonesty or otherwise accurately disclosing any such felony or misdemeanor

involving a crime of theft or dishonesty. No person who has had a conviction or pled guilty to any felony or misdemeanor involving theft or dishonesty may be registered by a title insurance company without a written notification to the Secretary disclosing the conviction or plea, and no such person may serve as an owner, officer, director, principal, or manager of any registered title insurance agent without the written permission of the Secretary.

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

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

settlement, or closing under which the funds were accepted.

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

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

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

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

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

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

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

insurance agent as an escrow agent shall not be limited or otherwise modified because the title insurance company has provided closing protection to a party or parties to a real property transaction escrow, settlement, or closing. The escrow agent shall not charge a fee for protection provided by a title insurance company to parties to real property transactions under subsections (f) and (g) of this Section 16 and Section 16.1, but shall collect from the parties the fee charged by the title insurance company and shall promptly remit the fee to the title insurance company. The title insurance company may charge the parties a reasonable fee for protection provided pursuant to subsections (f) and (g) of this Section 16 and Section 16.1 and shall not pay any portion of the fee to the escrow agent. The payment of any portion of the fee to the escrow agent by the title insurance company, shall be deemed a prohibited inducement or compensation in violation of Section 24 of this Act.

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

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