



ARIZONA HOUSE OF REPRESENTATIVES

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HB 2738: DIFI; title companies; recorded documents

NOW: title insurers; instruments; enforceability

Sponsor: Representative Hendrix, LD 14

Senate Engrossed

Overview

Outlines the enforceability of an agreement to indemnify a title insurer from specified risks.

History

The Arizona Department of Insurance and Financial Institutions (DIFI) licenses and regulates the title insurance industry as part of its duties. [DIFI](#) stipulates that a business enterprise must be formed as a corporation or limited liability company and must be licensed in Arizona to solicit business, collect premiums or countersign policies on a title insurer's behalf. Additionally, a title insurance agent is a stock corporation or limited liability company authorized by a title insurer to solicit insurance and collect premiums for insurance that covers owners of real property or others with interest in the real property against loss or damage suffered by liens, encumbrances, defects or unmarketability of the title to the property ([A.R.S. § 20-1562](#)).

Provisions

1. States that an agreement by a person other than the insured to indemnify a title insurer from risks that arise from an instrument that is properly recorded or indexed in the office of the county recorder is only enforceable if the agreement is in writing and if any of the specified provisions apply. (Sec. 1)
2. Stipulates that these provisions do not affect the enforceability of title warranties provided by a person in a deed or mortgage. (Sec. 1)
3. Requires an agreement pursuant to these provisions to be separate from and not included in the title insurance policy. (Sec. 1)
4. Contains a legislative intent clause. (Sec. 2)