

An Act

ENROLLED HOUSE
BILL NO. 1506

By: Sneed of the House

and

Seifried of the Senate

An Act relating to insurance; amending 36 O.S. 2021, Section 5001, which relates to title insurers and previously issued policies; directing title insurance producer or title insurer provide certain requested copies at no charge; modifying time frame; and providing an effective date.

SUBJECT: Insurance

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 36 O.S. 2021, Section 5001, is amended to read as follows:

Section 5001. A. Any foreign or domestic stock insurer authorized by its corporate charter to engage in business as a title insurer shall be entitled to the issuance of a certificate of authority as a title insurer in this state upon meeting the applicable requirements of Article 6, Authorization of Insurers and General Requirements, of the Oklahoma Insurance Code, except that existing title insurers may have their certificate of authority renewed by maintaining surplus in regard to policyholders of not less than Five Hundred Thousand Dollars (\$500,000.00).

B. A person engaged in the business of preparing or issuing abstracts of, but not guaranteeing or insuring, title to property, or a person acting only as a title insurance producer appointed by a title insurer, shall not be deemed to be a title insurer.

C. Every commitment and policy of title insurance issued by any insurance company authorized to do business in this state shall be countersigned by some person, partnership, corporation or agency actively engaged in the real estate title business and maintaining an office in the state, who is a duly appointed a title insurance producer for a title insurance company holding a valid license and authorized to do business in the state; provided, that no commitment or policy of title insurance shall be issued in the State of Oklahoma except:

1. After examination by an attorney licensed to practice in this state of a duly certified abstract extension or supplemental abstract prepared by an abstractor licensed in the county where the property is located, from a certified abstract plant in the county where the property is located or per a temporary certificate of authority as provided in Section 33 of Title 1 of the Oklahoma Statutes, from the effective date of a prior owner's policy of title insurance issued by a title insurer licensed in this state provided by the insured, the prior title insurance producer or the prior title insurer, at the time a valid order is placed pursuant to the provisions of the Oklahoma Abstractors Law brought forward to the effective date of the abstract plant. Subject to the conditions and stipulations, the exclusions from coverage, exceptions from coverage and endorsements to the policy, any policy issued based on a prior owner's policy and a supplemental abstract shall insure the insured against loss or damage sustained or incurred by reason of unmarketability of title from sovereignty to the effective date of the policy, not to exceed the amount of insurance stated in the policy; or

2. If a prior owner's policy of title insurance is not provided, then a title insurance commitment and policy may be issued after examination by an attorney licensed to practice in this state of a duly certified abstract of title prepared by a bonded and licensed abstractor as defined in the Oklahoma Abstractors Law.

D. If the current owner or insured, or the owner's or insured's authorized agent requests, in writing, a copy of any previously issued owner's policy, the title insurance producer or the title insurer that issued the policy shall provide the requesting party with a copy of the schedules in the previously issued policy, at no charge, within ~~five (5)~~ three (3) business days, unless there exists an unavoidable delay.

E. As used in this section, the term "representative" shall mean a person authorized to act on behalf of or in place of another in the current transaction.

F. Every title insurance producer, title insurer or person who conducts a real estate closing that presents, for filing in the office of the county clerk, an instrument of conveyance or vesting title in connection with a transaction in which an owner's policy of title insurance is to be issued by a title insurance producer or title insurer that is based upon such instrument shall place a legend within the instrument that sets forth the following information:

Deed presented for filing by: [Name of title insurance producer, title insurer or person conducting closing]

File Number: [File Number of title insurance producer, title insurer or person conducting closing]

[Name of Title Insurer designated in the Commitment for Title Insurance]

G. The Insurance Department shall maintain, for each title insurance producer or title insurer holding a valid license and authorized to do business in the state, contact information for the office or person responsible for making available copies of owner's policies pursuant to this statute and shall make such contact information generally available to the public on its website and by telephone request.

H. The Insurance Commissioner may promulgate rules and regulations to carry out the provisions of this section.

SECTION 2. This act shall become effective November 1, 2024.

Passed the House of Representatives the 6th day of March, 2024.

Presiding Officer of the House
of Representatives

Passed the Senate the 15th day of April, 2024.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____