

1 **SENATE FLOOR VERSION**

2 March 25, 2024

3 ENGROSSED HOUSE
4 BILL NO. 1506

By: Sneed of the House

5 and

6 Seifried of the Senate

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

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

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

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

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

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

16 1. After examination by an attorney licensed to practice in
17 this state of a duly certified abstract extension or supplemental
18 abstract prepared by an abstractor licensed in the county where the
19 property is located, from a certified abstract plant in the county
20 where the property is located or per a temporary certificate of
21 authority as provided in Section 33 of Title 1 of the Oklahoma
22 Statutes, from the effective date of a prior owner's policy of title
23 insurance issued by a title insurer licensed in this state provided
24 by the insured, the prior title insurance producer or the prior

1 title insurer, at the time a valid order is placed pursuant to the
2 provisions of the Oklahoma Abstractors Law brought forward to the
3 effective date of the abstract plant. Subject to the conditions and
4 stipulations, the exclusions from coverage, exceptions from coverage
5 and endorsements to the policy, any policy issued based on a prior
6 owner's policy and a supplemental abstract shall insure the insured
7 against loss or damage sustained or incurred by reason of
8 unmarketability of title from sovereignty to the effective date of
9 the policy, not to exceed the amount of insurance stated in the
10 policy; or

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

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

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

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

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

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

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

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

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

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

4 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE
5 March 25, 2024 - DO PASS
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