

FIRST REGULAR SESSION

SENATE BILL NO. 166

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR GOODMAN.

Read 1st time January 25, 2011, and ordered printed.

0280S.011

TERRY L. SPIELER, Secretary.

AN ACT

To repeal section 381.115, RSMo, and to enact in lieu thereof one new section relating to the licensure of title agencies and title agents.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 381.115, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 381.115, to read as follows:

381.115. 1. It is unlawful for any person to transact the business of title
2 insurance unless authorized as a title insurer, title agency or title agent.

3 2. It is unlawful for any person to transact business as:

4 (1) A title agency, unless the person is a licensed business entity
5 insurance producer under subsection 2 of section 375.015, **which license under**
6 **this chapter shall further require that the applicant has and maintains**
7 **a physical place of business within the state of Missouri substantially**
8 **devoted to the conduct of the title insurance business; or**

9 (2) A title agent, unless the person is a licensed individual insurance
10 producer under subsection 1 of section 375.015, **which license under this**
11 **chapter shall further require that the applicant either has and**
12 **maintains a physical place of business within the state of Missouri**
13 **substantially devoted to the conduct of the title insurance business, or**
14 **is employed by a title insurer or title agency licensed in Missouri, or is**
15 exempt from licensure under subsection 3 of this section.

16 3. A salaried employee of a title insurer, title agency, or title agent is
17 exempt from licensure as a title agent if the employee does not materially perform
18 or supervise others who perform any of the following:

19 (1) Sell, solicit, or negotiate a title insurance policy or closing protection

20 letter;

21 (2) Calculate premiums for a title insurance policy or closing protection
22 letter;

23 (3) Determine insurability;

24 (4) Establish, calculate, or negotiate title charges;

25 (5) Conduct title search or examinations;

26 (6) Execute title insurance policies, commitments, binders or
27 endorsements; or

28 (7) Handle escrows, settlements, or closings.

29 4. It is unlawful for any title insurer to contract with any person to act
30 in the capacity of a title agency or title agent with respect to risks located in this
31 state unless the person is licensed as required in this section.

32 5. The director shall adopt rules, regulations, or requirements relating to
33 licensing and practices of persons acting in the capacity of title agencies or
34 agents. These persons may include title agencies, title agents and employees of
35 title insurers or title agencies. Such rules, regulations, or requirements shall,
36 until at least January 1, 2010, permit either provisional licensure or waiver of
37 licensure for employees newly performing functions described in subsection 3 of
38 this section, while under the direct supervision of a licensed insurance producer
39 during the first six months of such employee's initial employment. This
40 subsection is not intended to require licensure of persons performing a clerical
41 function under the direct supervision and direction of a licensed insurance
42 producer.

43 6. Every title agency licensed in this state shall:

44 (1) Exclude or eliminate the word insurer, insurance company, or
45 underwriter from its business name, unless the word agency is also included as
46 part of the name; and

47 (2) Provide, in a timely fashion, each title insurer with which it places
48 business any information the title insurer requests in order to comply with
49 reporting requirements of the director.

50 7. A title agency or title agent licensed in this state prior to the effective
51 date of this chapter shall have ninety days after the effective date of this chapter
52 to comply with the requirements of this section.

53 8. If the title insurer, title agency, or title agent delegates the title search
54 to a third party, such as an abstract company, the insurer, agency, or agent must
55 first obtain proof that the third party is operating in compliance with rules and

56 regulations established by the director and the third party shall provide the
57 insurer, agency, or agent with access to and the right to copy all accounts and
58 records maintained by the third party with respect to business placed with the
59 title insurer. Proof from the third party may consist of a signed statement
60 indicating compliance, and shall be effective for a three-year period.

61 9. A violation of any provision under this section is a level three violation
62 under section 374.049.

✓
Unofficial

Bill

Copy