



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB0215

Introduced 1/31/2019, by Sen. John G. Mulroe

SYNOPSIS AS INTRODUCED:

See Index

Amends the Title Insurance Act. Provides for enforcement of the Act by the Department of Insurance (rather than the Department of Financial and Professional Regulation). Provides that all powers, duties, rights, and responsibilities of the Department of Financial and Professional Regulation and the Secretary of Financial and Professional Regulation under the Act are transferred to the Department of Insurance and Director of Insurance, respectively. Provides for the transfer of books, records, papers, documents, property, contracts, causes of action, pending business, and certain funds from the Department of Financial and Professional Regulation to the Department of Insurance. Provides that rules and proposed rules by the Department of Financial and Professional Regulation under the Act shall become rules and proposed rules of the Department of Insurance. Provides that all moneys received by the Department of Insurance under the Act shall be deposited into the Insurance Financial Regulation Fund (rather than the Financial Institution Fund). Makes conforming and grammatical changes throughout the Act and in the State Finance Act.

LRB101 04676 SMS 49685 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The State Finance Act is amended by changing
5 Section 6z-26 as follows:

6 (30 ILCS 105/6z-26)

7 Sec. 6z-26. The Financial Institution Fund. All moneys
8 received by the Department of Financial and Professional
9 Regulation under the Safety Deposit License Act, the Foreign
10 Exchange License Act, the Pawnors Societies Act, the Sale of
11 Exchange Act, the Currency Exchange Act, the Sales Finance
12 Agency Act, the Debt Management Service Act, the Consumer
13 Installment Loan Act, the Illinois Development Credit
14 Corporation Act, ~~the Title Insurance Act,~~ the Debt Settlement
15 Consumer Protection Act, the Debt Management Service Consumer
16 Protection Fund, and any other Act administered by the
17 Department of Financial and Professional Regulation as the
18 successor of the Department of Financial Institutions now or in
19 the future (unless an Act specifically provides otherwise)
20 shall be deposited in the Financial Institution Fund
21 (hereinafter "Fund"), a special fund that is hereby created in
22 the State Treasury.

23 Moneys in the Fund shall be used by the Department, subject

1 to appropriation, for expenses incurred in administering the
2 above named and referenced Acts.

3 The Comptroller and the State Treasurer shall transfer from
4 the General Revenue Fund to the Fund any monies received by the
5 Department after June 30, 1993, under any of the above named
6 and referenced Acts that have been deposited in the General
7 Revenue Fund.

8 As soon as possible after the end of each calendar year,
9 the Comptroller shall compare the balance in the Fund at the
10 end of the calendar year with the amount appropriated from the
11 Fund for the fiscal year beginning on July 1 of that calendar
12 year. If the balance in the Fund exceeds the amount
13 appropriated, the Comptroller and the State Treasurer shall
14 transfer from the Fund to the General Revenue Fund an amount
15 equal to the difference between the balance in the Fund and the
16 amount appropriated.

17 Nothing in this Section shall be construed to prohibit
18 appropriations from the General Revenue Fund for expenses
19 incurred in the administration of the above named and
20 referenced Acts.

21 Moneys in the Fund may be transferred to the Professions
22 Indirect Cost Fund, as authorized under Section 2105-300 of the
23 Department of Professional Regulation Law of the Civil
24 Administrative Code of Illinois.

25 (Source: P.A. 96-1420, eff. 8-3-10.)

1 Section 10. The Title Insurance Act is amended by changing
2 Sections 3, 4, 4.1, 5, 6, 7, 8, 9, 12, 13, 14.1, 16, 16.1, 17,
3 17.1, 18, 19, 20, 21, 21.1, 21.2, and 23 and by adding Section
4 3.5 as follows:

5 (215 ILCS 155/3) (from Ch. 73, par. 1403)

6 Sec. 3. As used in this Act, the words and phrases
7 following shall have the following meanings unless the context
8 requires otherwise:

9 (1) "Title insurance business" or "business of title
10 insurance" means:

11 (A) Issuing as insurer or offering to issue as insurer
12 title insurance; and

13 (B) Transacting or proposing to transact one or more of
14 the following activities when conducted or performed in
15 contemplation of or in conjunction with the issuance of
16 title insurance;

17 (i) soliciting or negotiating the issuance of
18 title insurance;

19 (ii) guaranteeing, warranting, or otherwise
20 insuring the correctness of title searches for all
21 instruments affecting titles to real property, any
22 interest in real property, cooperative units and
23 proprietary leases, and for all liens or charges
24 affecting the same;

25 (iii) handling of escrows, settlements, or

1 closings;

2 (iv) executing title insurance policies;

3 (v) effecting contracts of reinsurance;

4 (vi) abstracting, searching, or examining titles;

5 or

6 (vii) issuing insured closing letters or closing
7 protection letters;

8 (C) Guaranteeing, warranting, or insuring searches or
9 examinations of title to real property or any interest in
10 real property, with the exception of preparing an
11 attorney's opinion of title; or

12 (D) Guaranteeing or warranting the status of title as
13 to ownership of or liens on real property and personal
14 property by any person other than the principals to the
15 transaction; or

16 (E) Doing or proposing to do any business substantially
17 equivalent to any of the activities listed in this
18 subsection, provided that the preparation of an attorney's
19 opinion of title pursuant to paragraph (1)(C) is not
20 intended to be within the definition of "title insurance
21 business" or "business of title insurance".

22 (1.5) "Title insurance" means insuring, guaranteeing,
23 warranting, or indemnifying owners of real or personal property
24 or the holders of liens or encumbrances thereon or others
25 interested therein against loss or damage suffered by reason of
26 liens, encumbrances upon, defects in, or the unmarketability of

1 the title to the property; the invalidity or unenforceability
2 of any liens or encumbrances thereon; or doing any business in
3 substance equivalent to any of the foregoing. "Warranting" for
4 purpose of this provision shall not include any warranty
5 contained in instruments of encumbrance or conveyance. Title
6 insurance is a single line form of insurance, also known as
7 monoline. An attorney's opinion of title pursuant to paragraph
8 (1) (C) is not intended to be within the definition of "title
9 insurance".

10 (2) "Title insurance company" means any domestic company
11 organized under the laws of this State for the purpose of
12 conducting the business of title insurance and any title
13 insurance company organized under the laws of another State,
14 the District of Columbia or foreign government and authorized
15 to transact the business of title insurance in this State.

16 (3) "Title insurance agent" means a person, firm,
17 partnership, association, corporation or other legal entity
18 registered by a title insurance company and authorized by such
19 company to determine insurability of title in accordance with
20 generally acceptable underwriting rules and standards in
21 reliance on either the public records or a search package
22 prepared from a title plant, or both, and authorized by such
23 title insurance company in addition to do any of the following:
24 act as an escrow agent pursuant to subsections (f), (g), and
25 (h) of Section 16 of this Act, solicit title insurance, collect
26 premiums, or issue title insurance commitments, policies, and

1 endorsements of the title insurance company; provided,
2 however, the term "title insurance agent" shall not include
3 officers and salaried employees of any title insurance company.

4 (4) "Producer of title business" is any person, firm,
5 partnership, association, corporation or other legal entity
6 engaged in this State in the trade, business, occupation or
7 profession of (i) buying or selling interests in real property,
8 (ii) making loans secured by interests in real property, or
9 (iii) acting as broker, agent, attorney, or representative of
10 natural persons or other legal entities that buy or sell
11 interests in real property or that lend money with such
12 interests as security.

13 (5) "Associate" is any firm, association, partnership,
14 corporation or other legal entity organized for profit in which
15 a producer of title business is a director, officer, or partner
16 thereof, or owner of a financial interest, as defined herein,
17 in such entity; any legal entity that controls, is controlled
18 by, or is under common control with a producer of title
19 business; and any natural person or legal entity with whom a
20 producer of title business has any agreement, arrangement, or
21 understanding or pursues any course of conduct the purpose of
22 which is to evade the provisions of this Act.

23 (6) "Financial interest" is any ownership interest, legal
24 or beneficial, except ownership of publicly traded stock.

25 (7) "Refer" means to place or cause to be placed, or to
26 exercise any power or influence over the placing of title

1 business, whether or not the consent or approval of any other
2 person is sought or obtained with respect to the referral.

3 (8) "Escrow Agent" means any title insurance company or any
4 title insurance agent, including independent contractors of
5 either, acting on behalf of a title insurance company, which
6 receives deposits, in trust, of funds or documents, or both,
7 for the purpose of effecting the sale, transfer, encumbrance or
8 lease of real property to be held by such escrow agent until
9 title to the real property that is the subject of the escrow is
10 in a prescribed condition. An escrow agent conducting closings
11 shall be subject to the provisions of paragraphs (1) through
12 (4) of subsection (e) of Section 16 of this Act.

13 (9) "Independent Escrowee" means any firm, person,
14 partnership, association, corporation or other legal entity,
15 other than a title insurance company or a title insurance
16 agent, which receives deposits, in trust, of funds or
17 documents, or both, for the purpose of effecting the sale,
18 transfer, encumbrance or lease of real property to be held by
19 such escrowee until title to the real property that is the
20 subject of the escrow is in a prescribed condition. Federal and
21 State chartered banks, savings and loan associations, credit
22 unions, mortgage bankers, banks or trust companies authorized
23 to do business under the Illinois Corporate Fiduciary Act,
24 licensees under the Consumer Installment Loan Act, real estate
25 brokers licensed pursuant to the Real Estate License Act of
26 2000, as such Acts are now or hereafter amended, and licensed

1 attorneys when engaged in the attorney-client relationship are
2 exempt from the escrow provisions of this Act. "Independent
3 Escrowee" does not include employees or independent
4 contractors of a title insurance company or title insurance
5 agent authorized by a title insurance company to perform
6 closing, escrow, or settlement services.

7 (10) "Single risk" means the insured amount of any title
8 insurance policy, except that where 2 or more title insurance
9 policies are issued simultaneously covering different estates
10 in the same real property, "single risk" means the sum of the
11 insured amounts of all such title insurance policies. Any title
12 insurance policy insuring a mortgage interest, a claim payment
13 under which reduces the insured amount of a fee or leasehold
14 title insurance policy, shall be excluded in computing the
15 amount of a single risk to the extent that the insured amount
16 of the mortgage title insurance policy does not exceed the
17 insured amount of the fee or leasehold title insurance policy.

18 (11) "Department" means the Department of Insurance
19 ~~Financial and Professional Regulation.~~

20 (12) "Director" means the Director of Insurance.
21 ~~"Secretary" means the Secretary of Financial and Professional~~
22 ~~Regulation.~~

23 (13) "Insured closing letter" or "closing protection
24 letter" means an indemnification or undertaking to a party to a
25 real property transaction, from a principal such as a title
26 insurance company, setting forth in writing the extent of the

1 principal's responsibility for intentional misconduct or
2 errors in closing the real property transaction on the part of
3 a settlement agent, such as a title insurance agent or other
4 settlement service provider, or an indemnification or
5 undertaking given by a title insurance company or an
6 independent escrowee setting forth in writing the extent of the
7 title insurance company's or independent escrowee's
8 responsibility to a party to a real property transaction which
9 indemnifies the party against the intentional misconduct or
10 errors in closing the real property transaction on the part of
11 the title insurance company or independent escrowee and
12 includes protection afforded pursuant to subsections (f), (g),
13 and (h) of Section 16, Section 16.1, subsection (h) of Section
14 17, and Section 17.1 of this Act even if such protection is
15 afforded by contract.

16 (14) "Residential real property" means a building or
17 buildings consisting of one to 4 residential units or a
18 residential condominium unit where at least one of the
19 residential units or condominium units is occupied or intended
20 to be occupied as a residence by the purchaser or borrower, or
21 in the event that the purchaser or borrower is the trustee of a
22 trust, by a beneficiary of that trust.

23 (15) "Financial institution" means any bank subject to the
24 Illinois Banking Act, any savings and loan association subject
25 to the Illinois Savings and Loan Act of 1985, any savings bank
26 subject to the Savings Bank Act, any credit union subject to

1 the Illinois Credit Union Act, and any federally chartered
2 commercial bank, savings and loan association, savings bank, or
3 credit union organized and operated in this State pursuant to
4 the laws of the United States.

5 (Source: P.A. 100-485, eff. 9-8-17.)

6 (215 ILCS 155/3.5 new)

7 Sec. 3.5. Transfer of enforcement of Act to the Department
8 of Insurance. On and after the effective date of this
9 amendatory Act of the 101st General Assembly:

10 (1) All powers, duties, rights, and responsibilities
11 of the Department of Financial and Professional Regulation
12 under this Act are transferred to the Department of
13 Insurance.

14 (2) All powers, duties, rights, and responsibilities
15 of the Secretary of Financial and Professional Regulation
16 under this Act are transferred to the Director of
17 Insurance.

18 (3) All books, records, papers, documents, property
19 (real and personal), contracts, causes of action, and
20 pending business of the Department of Financial and
21 Professional Regulation for the purposes of this Act shall
22 be transferred to the Department of Insurance.

23 (4) All unexpended appropriations and balances and
24 other funds available for use by the Department of
25 Financial and Professional Regulation deposited into the

1 Financial Institution Fund from funds received under this
2 Act shall be transferred for use by the Department of
3 Insurance for the purposes of this Act into the Insurance
4 Financial Regulation Fund. Unexpended balances so
5 transferred shall be expended only for the purpose for
6 which the appropriations were originally made.

7 (5) Any rules of the Department of Financial and
8 Professional Regulation for the purposes of this Act that
9 are in full force on the effective date of this amendatory
10 Act of the 101st General Assembly shall become the rules of
11 the Department of Insurance. This Section does not affect
12 the legality of any such rules in the Illinois
13 Administrative Code.

14 (6) Any proposed rules filed with the Secretary of
15 State by the Department of Financial and Professional
16 Regulation for the purposes of this Act that are pending in
17 the rulemaking process on the effective date of this
18 amendatory Act of the 101st General Assembly, and that
19 pertain to the powers, duties, rights, and
20 responsibilities transferred under this Section, shall be
21 deemed to have been filed by the Department of Insurance.
22 As soon as practicable, the Department of Insurance shall
23 revise and clarify the rules transferred to it under this
24 Section using the procedures for recodification of rules
25 available under the Illinois Administrative Procedure Act,
26 except that existing title, part, and section numbering for

1 the affected rules may be retained. The Department of
2 Insurance may propose and adopt under the Illinois
3 Administrative Procedure Act such other rules of the
4 Department of Financial and Professional Regulation for
5 the purposes of this Act that will now be administered by
6 the Department of Insurance.

7 (215 ILCS 155/4) (from Ch. 73, par. 1404)

8 Sec. 4. Deposits.

9 (a) Before doing business in the State of Illinois, a title
10 insurance company must file with and have approved by the
11 Director ~~Secretary~~ cash or bonds of the United States, this
12 State or any body politic of this State in amounts as specified
13 in subsection (b). The deposit is not to be otherwise pledged
14 or subject to distribution among creditors or stockholders
15 until all claims of escrow depositors, claims of policyholders,
16 and claims under reinsurance contracts have been paid in full
17 or discharged, reinsured, or otherwise assumed by a title
18 insurance company authorized to do business under this Act. The
19 cash, bonds, and securities so deposited may be exchanged for
20 other such securities. No such cash, bond, or security shall be
21 sold or transferred by the Director ~~Secretary~~ except on order
22 of the circuit court or as provided in subsection (d). As long
23 as the company depositing such securities remains solvent, the
24 company shall be permitted to receive from the Director
25 ~~Secretary~~ the interest on such deposit.

1 (b) The deposit required under subsection (a) must have a
2 then current value of \$1,000,000. All deposits shall be held
3 for the benefit of any insured under a policy the title
4 insurance company issued or named party to a written escrow it
5 accepted. The deposit is not to be otherwise pledged or subject
6 to distribution among creditors or stockholders.

7 (c) The Director ~~Secretary~~ may provide for custody of the
8 deposits by any trust company or bank located in this State and
9 qualified to do business under the Corporate Fiduciary Act, as
10 now or hereafter amended. The compensation, if any, of such
11 custodian shall be paid by the depositing company. When the
12 required deposits have been made by a title insurance company,
13 the Director ~~Secretary~~ shall certify that the company has
14 complied with the provisions of this Section and is authorized
15 to transact the business of insuring and guaranteeing titles to
16 real estate.

17 (d) If, at any time, a title insurance company causes all
18 of its unexpired policies, escrow deposits, and reinsurance
19 obligations in Illinois to be paid in full, cancelled,
20 discharged, reinsured, or otherwise assumed by another title
21 insurance company authorized to do business under this Act, the
22 Director ~~Secretary~~ shall, upon application of the company,
23 verified by the oath of its president or secretary and on being
24 satisfied by an examination of its books and its officers under
25 oath that all of its policies are paid in full, cancelled,
26 discharged, reinsured, or otherwise assumed, authorize the

1 release of any bond or deposit posted under this Section.

2 (e) The Director ~~Secretary~~ may revoke the certificate of
3 authority of a company that fails to maintain the deposit
4 required by this Section. The Director ~~Secretary~~ shall give
5 notice of that revocation to the company as provided by this
6 Act, and during the time of the revocation, the company may not
7 conduct a title insurance business. A company may complete
8 contractual obligations, such as issuing a policy where the
9 obligations have already been assumed. However, it may not
10 solicit new business, complete new searches or examinations, or
11 close transactions. A revocation shall not be set aside until a
12 good and sufficient deposit has been filed with the Director
13 ~~Secretary~~ and the company is otherwise in compliance with this
14 Act.

15 (Source: P.A. 94-893, eff. 6-20-06.)

16 (215 ILCS 155/4.1)

17 Sec. 4.1. Minimum capital and surplus. Before doing
18 business in the State of Illinois, a title insurance company
19 must satisfy the Director ~~Secretary~~ that it has a minimum
20 capital and surplus of \$2,000,000. The Director ~~Secretary~~ may
21 provide the forms and standards for this purpose by rule.

22 (Source: P.A. 94-893, eff. 6-20-06.)

23 (215 ILCS 155/5) (from Ch. 73, par. 1405)

24 Sec. 5. Certificate of authority required. It is unlawful

1 for any company to engage or to continue in the business of
2 title insurance without first procuring from the Director
3 ~~Secretary~~ a certificate of authority stating that the company
4 has complied with the requirements of Section 4 of this Act. An
5 insurer that transacts any class of insurance other than title
6 insurance anywhere in the United States is not eligible for the
7 issuance of a certificate of authority to transact title
8 insurance in this State nor for a renewal of a certificate of
9 authority.

10 (Source: P.A. 94-893, eff. 6-20-06.)

11 (215 ILCS 155/6) (from Ch. 73, par. 1406)

12 Sec. 6. Reinsurance.

13 (a) A title insurance company may obtain reinsurance for
14 all or any part of its liability under one or more of its title
15 insurance policies or reinsurance agreements and may also
16 reinsure title insurance policies issued by other title
17 insurance companies on risks located in this State or
18 elsewhere.

19 (a-5) Notwithstanding any other provision of this Act, a
20 title insurance company may obtain reinsurance for all or any
21 part of its liability under one or more of its title insurance
22 policies from an assuming insurer with a financial strength
23 rating of A- or better from A.M. Best Company, Inc., or with an
24 alternative rating the Department may approve that the
25 Department determines is an equivalent rating by another

1 recognized rating organization.

2 (b) A title insurance company licensed to do business in
3 this State shall retain at least \$100,000 of primary liability
4 for policies it issues, unless a lesser sum is authorized by
5 the Director ~~Secretary~~. A lesser sum may be retained at the
6 request of an insured for a particular policy. This subsection
7 (b) applies only to policies issued on or after the effective
8 date of this amendatory Act of the 94th General Assembly.

9 (Source: P.A. 100-570, eff. 6-1-18.)

10 (215 ILCS 155/7) (from Ch. 73, par. 1407)

11 Sec. 7. Investments.

12 (a) Subject to the specific provisions of this Section, the
13 Director ~~Secretary~~ may, after a notice and hearing, order a
14 domestic title insurance company to limit or withdraw from
15 certain investments, or discontinue certain investment
16 practices, to the extent the Director ~~Secretary~~ finds that such
17 investments or investment practices endanger the solvency of
18 the company. The Director ~~Secretary~~ may consider the general
19 investment provisions of the Illinois Insurance Code, as now or
20 hereafter amended, in exercising the authority granted under
21 this subsection (a).

22 (b) A domestic title insurance company may invest in title
23 plants. For determination of the financial condition of such
24 title insurance company, a title plant shall be treated as an
25 asset valued at actual cost except that the combined value of

1 all title plants owned shall be limited for asset valuation
2 purposes to 50% of the surplus as regards policyholders as
3 shown on the most recent annual statement of the title
4 insurance company.

5 (c) Any investment of a domestic title insurance company
6 acquired before the effective date of this Act and which, under
7 this Section, would be considered ineligible as an investment
8 on that date shall be disposed of within 2 years of the
9 effective date of this Act. The Director ~~Secretary~~, upon
10 application and proof that forced sale of any such investment
11 would be contrary to the best interests of the title insurer or
12 its policyholders, may extend the period for disposal of the
13 investment for a reasonable time.

14 (Source: P.A. 94-893, eff. 6-20-06.)

15 (215 ILCS 155/8) (from Ch. 73, par. 1408)

16 Sec. 8. Retained liability.

17 (a) The net retained liability of a title insurance company
18 for a single risk on property located in this State, whether
19 assumed directly or as reinsurance, may not exceed the total
20 surplus to policyholders as shown in the most recent annual
21 statement of the title insurance company on file with the
22 Department.

23 (b) The Director ~~Secretary~~ may waive the limitation of this
24 Section for a particular risk upon application of the title
25 insurance company and for good cause shown.

1 (Source: P.A. 100-570, eff. 6-1-18.)

2 (215 ILCS 155/9) (from Ch. 73, par. 1409)

3 Sec. 9. Impairment of capital; discontinuance of issuance
4 of new policies; penalty.

5 (a) Whenever the capital of any title insurance company
6 authorized to do business under this Act is determined by the
7 circuit court, upon the application of the Director ~~Secretary~~,
8 to be impaired to the extent of 25% of its capital, or to have
9 otherwise become unsafe, the Director ~~Secretary~~ shall cancel
10 the authority of the company to do business.

11 (b) The Director ~~Secretary~~ shall give notice as provided by
12 this Act to the company to discontinue doing business until its
13 capital has been made good. The title insurance company may
14 continue to issue policies and perform other actions that are
15 required to complete contractual obligations undertaken prior
16 to the notice.

17 (c) Any officer or management employee who continues to
18 take orders for title insurance or close transactions on behalf
19 of a company after the notice to discontinue doing business,
20 and before its capital has been made good, may, for each
21 offense, be fined as provided by this Act.

22 (Source: P.A. 94-893, eff. 6-20-06.)

23 (215 ILCS 155/12) (from Ch. 73, par. 1412)

24 Sec. 12. Examinations; compliance.

1 (a) The Director ~~Secretary~~ or his or her authorized
2 representative shall have the power and authority, and it shall
3 be his or her duty, to cause to be visited and examined
4 annually any title insurance company doing business under this
5 Act, and to verify and compel compliance with the provisions of
6 law governing it.

7 (b) The Director ~~Secretary~~ or his or her authorized agent
8 shall have power and authority to compel compliance with the
9 provisions of this Act and shall, only upon the showing of good
10 cause, require any title insurance company to take all legal
11 means to obtain the appropriate records of its registered
12 agents and make them available for examination at a time and
13 place designated by the Director ~~Secretary~~. Expenses incurred
14 in the course of such examinations will be the responsibility
15 of the title insurance company. In the event that a present or
16 former registered agent or its successor refuses or is unable
17 to cooperate with a title insurance company in furnishing the
18 records requested by the Director ~~Secretary~~ or his or her
19 authorized agent, then the Director ~~Secretary~~ or his or her
20 authorized agent shall have the power and authority to obtain
21 those records directly from the registered agent.

22 (Source: P.A. 94-893, eff. 6-20-06.)

23 (215 ILCS 155/13) (from Ch. 73, par. 1413)

24 Sec. 13. Annual statement.

25 (a) Each title insurance company shall file with the

1 Department during the month of March of each year, a statement
2 under oath, of the condition of such company on the
3 thirty-first day of December next preceding disclosing the
4 assets, liabilities, earnings and expenses of the company. The
5 report shall be in such form and shall contain such additional
6 statements and information as to the affairs, business, and
7 conditions of the company as the Director ~~Secretary~~ may from
8 time to time prescribe or require.

9 (b) By June 1 of each year, a title insurance company must
10 file with the Department a copy of its most recent audited
11 financial statements.

12 (c) If determined to be necessary and appropriate by the
13 Department, a title insurance company shall provide a summary
14 describing its professional reinsurance placed outside of the
15 title insurance industry.

16 (Source: P.A. 100-570, eff. 6-1-18.)

17 (215 ILCS 155/14.1)

18 Sec. 14.1. Insurance Financial Regulation Fund ~~Financial~~
19 ~~Institution Fund~~. All moneys received by the Department of
20 Insurance ~~Financial and Professional Regulation~~ under this Act
21 shall be deposited into ~~in~~ the Insurance Financial Regulation
22 Fund ~~Financial Institution Fund~~ created under ~~Section 6z-26 of~~
23 ~~the State Finance Act~~.

24 (Source: P.A. 98-463, eff. 8-16-13.)

1 (215 ILCS 155/16) (from Ch. 73, par. 1416)

2 Sec. 16. Title insurance agents.

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

7 (b) Each application for registration shall be made on a
8 form specified by the Director ~~Secretary~~ and prepared by each
9 title insurance company which the agent represents. The title
10 insurance company shall retain the copy of the application and
11 forward a copy to the Director ~~Secretary~~.

12 (c) Every applicant for registration, except a firm,
13 partnership, association, limited liability company, or
14 corporation, must be 18 years or more of age. Included in every
15 application for registration of a title insurance agent,
16 including a firm, partnership, association, limited liability
17 company, or corporation, shall be an affidavit of the applicant
18 title insurance agent, signed and notarized in front of a
19 notary public, affirming that the applicant and every owner,
20 officer, director, principal, member, or manager of the
21 applicant has never been convicted or pled guilty to any felony
22 or misdemeanor involving a crime of theft or dishonesty or
23 otherwise accurately disclosing any such felony or misdemeanor
24 involving a crime of theft or dishonesty. No person who has had
25 a conviction or pled guilty to any felony or misdemeanor
26 involving theft or dishonesty may be registered by a title

1 insurance company without a written notification to the
2 Director Secretary disclosing the conviction or plea, and no
3 such person may serve as an owner, officer, director,
4 principal, or manager of any registered title insurance agent
5 without the written permission of the Director Secretary.

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

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

26 Interest received on funds deposited with the escrow agent

1 in connection with any escrow, settlement, or closing shall be
2 paid to the depositing party unless the instructions provide
3 otherwise.

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

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

10 (f) A title insurance agent shall not act as an escrow
11 agent in a nonresidential real property transaction where the
12 amount of settlement funds on deposit with the escrow agent is
13 less than \$2,000,000 or in a residential real property
14 transaction unless the title insurance agent, title insurance
15 company, or another authorized title insurance agent has
16 committed for the issuance of title insurance in that
17 transaction and the title insurance agent is authorized to act
18 as an escrow agent on behalf of the title insurance company for
19 which the commitment for title insurance has been issued. The
20 authorization under the preceding sentence shall be given
21 either (1) by an agency contract with the title insurance
22 company which contract, in compliance with the requirements set
23 forth in subsection (g) of this Section, authorizes the title
24 insurance agent to act as an escrow agent on behalf of the
25 title insurance company or (2) by a closing protection letter
26 in compliance with the requirements set forth in Section 16.1

1 of this Act, issued by the title insurance company to the
2 seller, buyer, borrower, and lender. A closing protection
3 letter shall not be issued by a title insurance agent. The
4 provisions of this subsection (f) shall not apply to the
5 authority of a title insurance agent to act as an escrow agent
6 under subsection (g) of Section 17 of this Act.

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

17 (h) A title insurance company shall be liable for the acts
18 or omissions of its title insurance agent as an escrow agent if
19 the title insurance company has authorized the title insurance
20 agent under subsections (f) and (g) of this Section 16 and only
21 to the extent of the liability undertaken by the title
22 insurance company in the agency agreement or closing protection
23 letter. The liability, if any, of the title insurance agent to
24 the title insurance company for acts and omissions of the title
25 insurance agent as an escrow agent shall not be limited or
26 otherwise modified because the title insurance company has

1 provided closing protection to a party or parties to a real
2 property transaction escrow, settlement, or closing. The
3 escrow agent shall not charge a fee for protection provided by
4 a title insurance company to parties to real property
5 transactions under subsections (f) and (g) of this Section 16
6 and Section 16.1, but shall collect from the parties the fee
7 charged by the title insurance company and shall promptly remit
8 the fee to the title insurance company. The title insurance
9 company may charge the parties a reasonable fee for protection
10 provided pursuant to subsections (f) and (g) of this Section 16
11 and Section 16.1 and shall not pay any portion of the fee to
12 the escrow agent. The payment of any portion of the fee to the
13 escrow agent by the title insurance company, shall be deemed a
14 prohibited inducement or compensation in violation of Section
15 24 of this Act.

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

20 (Source: P.A. 98-398, eff. 1-1-14; 98-832, eff. 1-1-15; 99-104,
21 eff. 1-1-16.)

22 (215 ILCS 155/16.1)

23 Sec. 16.1. Closing or settlement protection.

24 (a) Notwithstanding the provisions of item (iii) of
25 paragraph (B) of subsection (1) and subsections (3) and (8) of

1 Section 3 and Section 16 of this Act, a title insurance company
2 or title insurance agent is not authorized to act as an escrow
3 agent in a nonresidential real property transaction where the
4 amount of settlement funds on deposit with the escrow agent is
5 less than \$2,000,000 or in a residential real property
6 transaction unless as part of the same transaction a
7 commitment, binder, or title insurance policy and closing
8 protection letters protecting the buyer's or borrower's,
9 lender's, and seller's interests have been issued by the title
10 insurance company on whose behalf the commitment, binder, or
11 title insurance policy has been issued. Closing protection
12 letters are not required when the authorization for the title
13 insurance agent to act as an escrow agent is given by an agency
14 contract with the title insurance company pursuant to
15 subsections (f), (g), and (h) of Section 16 of this Act, but
16 shall be issued by the title insurance company upon the request
17 of a party to a nonresidential real property transaction where
18 the amount of settlement funds on deposit with the escrow agent
19 is less than \$2,000,000 or in a residential real property
20 transaction.

21 (b) Unless otherwise agreed to between a title insurance
22 company and a protected person or entity, a closing protection
23 letter under this Section shall indemnify all parties to a real
24 property transaction against actual loss, not to exceed the
25 amount of the settlement funds deposited with the escrow agent.
26 The closing protection letter shall in any event indemnify all

1 parties to a real property transaction when such losses arise
2 out of:

3 (1) failure of the escrow agent to comply with written
4 closing instructions to the extent that they relate to (A)
5 the status of the title to an interest in land or the
6 validity, enforceability, and priority of the lien of a
7 mortgage on an interest in land, including the obtaining of
8 documents and the disbursement of funds necessary to
9 establish the status of title or lien or (B) the obtaining
10 of any other document specifically required by a party to
11 the real property transaction, but only to the extent that
12 the failure to obtain such other document affects the
13 status of the title to an interest in land or the validity,
14 enforceability, and priority of the lien of a mortgage on
15 an interest in land; or

16 (2) fraud, dishonesty, or negligence of the escrow
17 agent in handling funds or documents in connection with
18 closings to the extent that the fraud, dishonesty, or
19 negligence relates to the status of the title to the
20 interest in land or to the validity, enforceability, and
21 priority of the lien of a mortgage on an interest in land
22 or, in the case of a seller, to the extent that the fraud,
23 dishonesty, or negligence relates to funds paid to or on
24 behalf of, or which should have been paid to or on behalf
25 of, the seller.

26 (c) The indemnification under a closing protection letter

1 may include limitations on the liability of the title insurance
2 company for any of the following:

3 (1) Failure of the escrow agent to comply with closing
4 instructions that require title insurance protection
5 inconsistent with that set forth in the title insurance
6 commitment for the real property transaction. Instructions
7 that require the removal of specific exceptions to title or
8 compliance with the requirements contained in the title
9 insurance commitment shall not be deemed to be
10 inconsistent.

11 (2) Loss or impairment of funds in the course of
12 collection or while on deposit with a bank due to bank
13 failure, insolvency, or suspension, except such as shall
14 result from failure of the escrow agent closer to comply
15 with written closing instructions to deposit the funds in a
16 bank that is designated by name by a party to the real
17 property transaction.

18 (3) Mechanics' and materialmen's liens in connection
19 with sale, purchase, lease, or construction loan
20 transactions, except to the extent that protection against
21 such liens is afforded by a title insurance commitment or
22 policy issued by the escrow agent.

23 (4) Failure of the escrow agent to comply with written
24 closing instructions to the extent that such instructions
25 require a determination by the escrow agent of the
26 validity, enforceability, or effectiveness of any document

1 described in subitem (B) of item (1) of subsection (b) of
2 this Section.

3 (5) Fraud, dishonesty, or negligence of an employee,
4 agent, attorney, or broker, who is not also the escrow
5 agent or an independent contract closer of the escrow
6 agent, of the indemnified party to the real property
7 transaction.

8 (6) The settlement or release of any claim by the
9 indemnified party to the real property transaction without
10 the written consent of the title insurance company.

11 (7) Any matters created, suffered, assumed, or agreed
12 to by, or known to, the indemnified party to the real
13 property transaction without the written consent of the
14 title insurance company.

15 The closing protection letter may also include reasonable
16 additional provisions concerning the dollar amount of
17 protection, provided such limit is not less than the amount
18 deposited with the escrow agent, arbitration, subrogation,
19 claim notices, and other conditions and limitations that do not
20 materially impair the protection required by this Section 16.1.

21 (d) This Section shall not apply to the authority of a
22 title insurance company and title insurance agent to act as an
23 escrow agent under subsection (g) of Section 17 of this Act.

24 (e) The Director ~~Secretary~~ shall adopt and amend such rules
25 as may be required for the proper administration and
26 enforcement of this Section 16.1 consistent with the federal

1 Real Estate Settlement Procedures Act and Section 24 of this
2 Act.

3 (Source: P.A. 96-1454, eff. 1-1-11.)

4 (215 ILCS 155/17) (from Ch. 73, par. 1417)

5 Sec. 17. Independent escrowees.

6 (a) Every independent escrowee shall be subject to the same
7 certification and deposit requirements to which title
8 insurance companies are subject under Section 4 of this Act.

9 (b) No person, firm, corporation or other legal entity
10 shall hold itself out to be an independent escrowee unless it
11 has been issued a certificate of authority by the Director
12 ~~Secretary~~.

13 (c) Every applicant for a certificate of authority, except
14 a firm, partnership, association or corporation, must be 18
15 years or more of age.

16 (d) Every certificate of authority shall remain in effect
17 one year unless revoked or suspended by the Director ~~Secretary~~
18 or voluntarily surrendered by the holder.

19 (e) An independent escrowee may engage in the escrow,
20 settlement, or closing business, or any combination of such
21 business, and operate as an escrow, settlement, or closing
22 agent, provided that:

23 (1) Funds deposited in connection with any escrow,
24 settlement, or closing shall be deposited in a separate
25 fiduciary trust account or accounts in a bank or other

1 financial institution insured by an agency of the federal
2 government unless the instructions provide otherwise. Such
3 funds shall be the property of the person or persons
4 entitled thereto under the provisions of the escrow,
5 settlement, or closing and shall be segregated by escrow,
6 settlement or closing in the records of the independent
7 escrowee. Such funds shall not be subject to any debts of
8 the escrowee and shall be used only in accordance with the
9 terms of the individual escrow, settlement or closing under
10 which the funds were accepted.

11 (2) Interest received on funds deposited with the
12 independent escrowee in connection with any escrow,
13 settlement or closing shall be paid to the depositing party
14 unless the instructions provide otherwise.

15 (3) The independent escrowee shall maintain separate
16 records of all receipt and disbursement of escrow,
17 settlement or closing funds.

18 (4) The independent escrowee shall comply with any
19 rules or regulations promulgated by the Director ~~Secretary~~
20 pertaining to escrow, settlement or closing transactions.

21 (f) The Director ~~Secretary~~ or his or her authorized
22 representative shall have the power and authority to visit and
23 examine at any time any independent escrowee certified under
24 this Act and to verify and compel compliance with the
25 provisions of this Act.

26 (g) A title insurance company or title insurance agent, not

1 qualified as an independent escrowee, may act in the capacity
2 of an escrow agent when it is supplying an abstract of title,
3 grantor-grantee search, tract search, lien search, tax
4 assessment search, or other limited purpose search to the
5 parties to the transaction even if it is not issuing a title
6 insurance commitment or title insurance policy. A title
7 insurance agent may act as an escrow agent only when
8 specifically authorized in writing on forms prescribed by the
9 Director ~~Secretary~~ by a title insurance company that has duly
10 registered the agent with the Director ~~Secretary~~ and only when
11 notice of the authorization is provided to and receipt thereof
12 is acknowledged by the Director ~~Secretary~~. The authority
13 granted to a title insurance agent may be limited or revoked at
14 any time by the title insurance company.

15 (h) An independent escrowee may, pursuant to Section 17.1
16 of this Act, issue an insured closing letter if, in addition to
17 complying with the same certification and deposit requirements
18 that title insurance companies are subject to under Section 4
19 of this Act, the independent escrowee:

20 (1) Satisfies the Director ~~Secretary~~ that it has a
21 minimum capital and surplus of \$2,000,000. The Director
22 ~~Secretary~~ may provide the forms and standards for this
23 purpose by rule. This paragraph applies only to independent
24 escrowees licensed under this Act for the first time on or
25 after the effective date of this amendatory Act of the
26 100th General Assembly.

1 (2) Files with and has approved by the Director
2 ~~Secretary~~ proof of a fidelity bond in the minimum amount of
3 \$2,000,000 per occurrence.

4 (3) Establishes and maintains a statutory closing
5 protection letter reserve for the protection of parties
6 named in warranties of services consisting of a sum of 25%
7 of the closing protection letter revenue received by the
8 independent escrowee on or after the effective date of this
9 amendatory Act of the 100th General Assembly. The reserve
10 shall be reported as a liability of the independent
11 escrowee in its financial statements. Amounts placed in the
12 statutory closing protection letter reserve shall be
13 deducted in determining the net profit of the independent
14 escrowee for the year. Except as provided in this
15 subsection, assets in value equal to the statutory closing
16 protection letter reserve are not subject to distribution
17 among creditors, stockholders, or other owners of the
18 independent escrowee until all claims of parties named in
19 warranties of services have been paid in full and
20 discharged.

21 (4) Releases from the statutory closing protection
22 letter reserve a sum equal to 10% of the amount added to
23 the reserve during a calendar year on July 1 of each of the
24 5 years following the year in which the sum was added and
25 releases from the statutory closing protection letter
26 reserve a sum equal to 3 1/3% of the amount added to the

1 reserve during that year on each succeeding July 1 until
2 the entire amount for that year has been released.

3 The Director ~~Secretary~~ shall adopt and amend rules as may
4 be required for the proper administration and enforcement of
5 this subsection (h) consistent with the federal Real Estate
6 Settlement and Procedures Act and Section 24 of this Act.

7 (Source: P.A. 100-485, eff. 9-8-17.)

8 (215 ILCS 155/17.1)

9 Sec. 17.1. Closing or settlement protection; independent
10 escrowees.

11 (a) Notwithstanding the provisions of item (iii) of
12 paragraph (B) of subsection (1) and subsection (9) of Section 3
13 of this Act, an independent escrowee is not authorized to act
14 pursuant to subsection (9) of Section 3 of this Act in a
15 nonresidential real property transaction where the amount of
16 settlement funds on deposit with the escrow agent is less than
17 \$2,000,000 or in a residential real property transaction
18 unless, as part of the same transaction, closing protection
19 letters protecting the buyer's or borrower's, lender's, and
20 seller's interests have been issued by the independent
21 escrowee.

22 (b) Unless otherwise agreed to between an independent
23 escrowee and a protected person or entity, a closing protection
24 letter under this Section shall indemnify all parties to a real
25 property transaction against actual loss, not to exceed the

1 amount of the settlement funds deposited with the independent
2 escrowee. The closing protection letter shall in any event
3 indemnify all parties to a real property transaction when such
4 losses arise out of:

5 (1) failure of the independent escrowee to comply with
6 written closing instructions to the extent that they relate
7 to (A) the status of the title to an interest in land or
8 the validity, enforceability, and priority of the lien of a
9 mortgage on an interest in land, including the obtaining of
10 documents and the disbursement of funds necessary to
11 establish the status of title or lien or (B) the obtaining
12 of any other document specifically required by a party to
13 the real property transaction, but only to the extent that
14 the failure to obtain such other document affects the
15 status of the title to an interest in land or the validity,
16 enforceability, and priority of the lien of a mortgage on
17 an interest in land; or

18 (2) fraud, dishonesty, or negligence of the
19 independent escrowee in handling funds or documents in
20 connection with closings to the extent that the fraud,
21 dishonesty, or negligence relates to the status of the
22 title to the interest in land or to the validity,
23 enforceability, and priority of the lien of a mortgage on
24 an interest in land or, in the case of a seller, to the
25 extent that the fraud, dishonesty, or negligence relates to
26 funds paid to or on behalf of, or which should have been

1 paid to or on behalf of, the seller.

2 (c) The indemnification under a closing protection letter
3 may include limitations on the liability of the independent
4 escrowee for any of the following:

5 (1) Failure of the independent escrowee to comply with
6 closing instructions that require title insurance
7 protection inconsistent with that set forth in the title
8 insurance commitment for the real property transaction.
9 Instructions that require the removal of specific
10 exceptions to title or compliance with the requirements
11 contained in the title insurance commitment shall not be
12 deemed to be inconsistent.

13 (2) Loss or impairment of funds in the course of
14 collection or while on deposit with a bank due to bank
15 failure, insolvency, or suspension, except such as shall
16 result from failure of the independent escrowee closer to
17 comply with written closing instructions to deposit the
18 funds in a bank that is designated by name by a party to
19 the real property transaction.

20 (3) Mechanics' and materialmen's liens in connection
21 with sale, purchase, lease, or construction loan
22 transactions, except to the extent that protection against
23 such liens is afforded by a title insurance commitment or
24 policy issued by the title insurance agent or title
25 insurance company.

26 (4) Failure of the independent escrowee to comply with

1 written closing instructions to the extent that such
2 instructions require a determination by the independent
3 escrowee of the validity, enforceability, or effectiveness
4 of any document described in item (B) of paragraph (1) of
5 subsection (b) of this Section.

6 (5) Fraud, dishonesty, or negligence of an employee,
7 agent, attorney, or broker, who is not also the independent
8 escrowee or an independent contract closer of the
9 independent escrowee, of the indemnified party to the real
10 property transaction.

11 (6) The settlement or release of any claim by the
12 indemnified party to the real property transaction without
13 the written consent of the independent escrowee.

14 (7) Any matters created, suffered, assumed, or agreed
15 to by, or known to, the indemnified party to the real
16 property transaction without the written consent of the
17 independent escrowee.

18 The closing protection letter may also include reasonable
19 additional provisions concerning the dollar amount of
20 protection, provided the limit is no less than the amount
21 deposited with the independent escrowee, arbitration,
22 subrogation, claim notices, and other conditions and
23 limitations that do not materially impair the protection
24 required by this Section.

25 (d) The Director ~~Secretary~~ shall adopt and amend rules as
26 may be required for the proper administration and enforcement

1 of this Section consistent with the federal Real Estate
2 Settlement Procedures Act and Section 24 of this Act.

3 (Source: P.A. 100-485, eff. 9-8-17.)

4 (215 ILCS 155/18) (from Ch. 73, par. 1418)

5 Sec. 18. No referral payments; kickbacks.

6 (a) Application of this Section is limited to residential
7 properties of 4 or fewer units, at least one of which units is
8 occupied or to be occupied by an owner, legal or beneficial.

9 (b) No title insurance company, independent escrowee, or
10 title insurance agent may issue a title insurance policy to, or
11 provide services to an applicant if it knows or has reason to
12 believe that the applicant was referred to it by any producer
13 of title business or by any associate of such producer, where
14 the producer, the associate, or both, have a financial interest
15 in the title insurance company, independent escrowee, or title
16 insurance agent to which business is referred unless the
17 producer has disclosed to any party paying for the products or
18 services, or his or her representative, the financial interest
19 of the producer of title business or associate referring the
20 title business and a disclosure of an estimate of those charges
21 to be paid as described in Section 19. Such disclosure must be
22 made in writing on forms prescribed by the Director ~~Secretary~~
23 prior to the time that the commitment for title insurance is
24 issued. The title insurance company, independent escrowee, or
25 title insurance agent shall maintain the disclosure forms for a

1 period of 3 years.

2 (c) Each title insurance company, independent escrowee,
3 and title insurance agent shall file with the Director
4 ~~Secretary~~, on forms prescribed by the Director ~~Secretary~~,
5 reports setting forth the names and addresses of those persons,
6 if any, who have had a financial interest in the title
7 insurance company, independent escrowee, or title insurance
8 agent during the calendar year, who are known or reasonably
9 believed by the title insurance company, independent escrowee,
10 or title insurance agent to be producers of title business or
11 associates of producers.

12 (1) Each title insurance company and independent
13 escrowee shall file the report required under this
14 subsection with its application for a certificate of
15 authority and at any time there is a change in the
16 information provided in the last report.

17 (2) Each title insurance agent shall file the report
18 required under this subsection with its title insurance
19 company for inclusion with its application for
20 registration and at any time there is a change in the
21 information provided in its last report.

22 (3) Each title insurance company, independent
23 escrowee, or title insurance agent doing business on the
24 effective date of this Act shall file the report required
25 under this subsection within 90 days after such effective
26 date.

1 (Source: P.A. 94-893, eff. 6-20-06.)

2 (215 ILCS 155/19) (from Ch. 73, par. 1419)

3 Sec. 19. Director ~~Secretary~~ powers; pricing. Nothing
4 contained in this Act shall be construed as giving any
5 authority to the Director ~~Secretary~~ to set or otherwise adjust
6 the fees charged to the parties to the transaction for:

7 (1) issuing a title insurance policy, including any
8 service charge or administration fee for the issuance of a
9 title insurance policy;

10 (2) abstracting, searching and examining title;

11 (3) preparing or issuing preliminary reports, property
12 profiles, commitments, binders, or like product;

13 (4) closing fees, escrow fees, settlement fees, and
14 like charges.

15 (Source: P.A. 94-893, eff. 6-20-06.)

16 (215 ILCS 155/20) (from Ch. 73, par. 1420)

17 Sec. 20. Rules and regulations. The Director ~~Secretary~~
18 shall rely upon federal regulations and opinion letters and may
19 adopt rules and regulations as needed to implement and
20 interpret the provisions of this Act.

21 (Source: P.A. 94-893, eff. 6-20-06.)

22 (215 ILCS 155/21) (from Ch. 73, par. 1421)

23 Sec. 21. Regulatory action.

1 (a) The Director ~~Secretary~~ may refuse to grant, and may
2 suspend or revoke, any certificate of authority, registration,
3 or license issued pursuant to this Act or may impose a fine for
4 a violation of this Act if he determines that the holder of or
5 applicant for such certificate, registration or license:

6 (1) has intentionally made a material misstatement or
7 fraudulent misrepresentation in relation to a matter
8 covered by this Act;

9 (2) has misappropriated or tortiously converted to its
10 own use, or illegally withheld, monies held in a fiduciary
11 capacity;

12 (3) has demonstrated untrustworthiness or incompetency
13 in transacting the business of guaranteeing titles to real
14 estate in such a manner as to endanger the public;

15 (4) has materially misrepresented the terms or
16 conditions of contracts or agreements to which it is a
17 party;

18 (5) has paid any commissions, discounts or any part of
19 its premiums, fees or other charges to any person in
20 violation of any State or federal law or regulations or
21 opinion letters issued under the federal Real Estate
22 Settlement Procedures Act of 1974;

23 (6) has failed to comply with the deposit and reserve
24 requirements of this Act or any other requirements of this
25 Act;

26 (7) has committed fraud or misrepresentation in

1 applying for or procuring any certificate of authority,
2 registration, or license issued pursuant to this Act;

3 (8) has a conviction or plea of guilty or plea of nolo
4 contendere in this State or any other jurisdiction to (i)
5 any felony or (ii) a misdemeanor, an essential element of
6 which is dishonesty or fraud or larceny, embezzlement, or
7 obtaining money, property, or credit by false pretenses or
8 by means of a confidence game;

9 (9) has been disciplined by another state, the District
10 of Columbia, a territory, foreign nation, a governmental
11 agency, or any entity authorized to impose discipline if at
12 least one of the grounds for that discipline is the same as
13 or equivalent to one of the grounds for which a title
14 insurance company, title insurance agent, or independent
15 escrowee may be disciplined under this Act or if at least
16 one of the grounds for that discipline involves dishonesty;
17 a certified copy of the record of the action by the other
18 state or jurisdiction shall be prima facie evidence
19 thereof;

20 (10) has advertising that is inaccurate, misleading,
21 or contrary to the provisions of this Act;

22 (11) has knowingly and willfully made any substantial
23 misrepresentation or untruthful advertising;

24 (12) has made any false promises of a character likely
25 to influence, persuade, or induce;

26 (13) has knowingly failed to account for or remit any

1 money or documents coming into the possession of a title
2 insurance company, title insurance agent, or independent
3 escrowee that belong to others;

4 (14) has engaged in dishonorable, unethical, or
5 unprofessional conduct of a character likely to deceive,
6 defraud, or harm the public;

7 (15) has violated the terms of a disciplinary order
8 issued by the Department;

9 (16) has disregarded or violated any provision of this
10 Act or the published rules adopted by the Department to
11 enforce this Act or has aided or abetted any individual,
12 partnership, registered limited liability partnership,
13 limited liability company, or corporation in disregarding
14 any provision of this Act or the published rules; or

15 (17) has acted as a title insurance company, title
16 insurance agent, or independent escrowee without a
17 certificate of authority, registration, or license after
18 the title insurance company, title insurance agent, or
19 independent escrowee's certificate of authority,
20 registration, or license was inoperative.

21 (b) In every case where a registration or certificate is
22 suspended or revoked, or an application for a registration or
23 certificate or renewal thereof is refused, the Director
24 ~~Secretary~~ shall serve notice of his or her action, including a
25 statement of the reasons for his or her action, as provided by
26 this Act. When a notice of suspension or revocation of a

1 certificate of authority is given to a title insurance company,
2 the Director ~~Secretary~~ shall also notify all the registered
3 agents of that title insurance company of the Director's
4 ~~Secretary's~~ action.

5 (c) In the case of a refusal to issue or renew a
6 certificate or accept a registration, the applicant or
7 registrant may request in writing, within 30 days after the
8 date of service, a hearing. In the case of a refusal to renew,
9 the expiring registration or certificate shall be deemed to
10 continue in force until 30 days after the service of the notice
11 of refusal to renew, or if a hearing is requested during that
12 period, until a final order is entered pursuant to such
13 hearing.

14 (d) The suspension or revocation of a registration or
15 certificate shall take effect upon service of notice thereof.
16 The holder of any such suspended registration or certificate
17 may request in writing, within 30 days of such service, a
18 hearing.

19 (e) In cases of suspension or revocation of registration
20 pursuant to subsection (a), the Director ~~Secretary~~ may, in the
21 public interest, issue an order of suspension or revocation
22 which shall take effect upon service of notification thereof.
23 Such order shall become final 60 days from the date of service
24 unless the registrant requests in writing, within such 60 days,
25 a formal hearing thereon. In the event a hearing is requested,
26 the order shall remain temporary until a final order is entered

1 pursuant to such hearing.

2 (f) Hearing shall be held at such time and place as may be
3 designated by the Director ~~Secretary~~ either in the City of
4 Springfield, the City of Chicago, or in the county in which the
5 principal business office of the affected registrant or
6 certificate holder is located.

7 (g) The suspension or revocation of a registration or
8 certificate or the refusal to issue or renew a registration or
9 certificate shall not in any way limit or terminate the
10 responsibilities of any registrant or certificate holder
11 arising under any policy or contract of title insurance to
12 which it is a party. No new contract or policy of title
13 insurance may be issued, nor may any existing policy or
14 contract to title insurance be renewed by any registrant or
15 certificate holder during any period of suspension or
16 revocation of a registration or certificate.

17 (h) The Director ~~Secretary~~ may issue a cease and desist
18 order to a title insurance company, agent, or other entity
19 doing business without the required license or registration,
20 when in the opinion of the Director ~~Secretary~~, the company,
21 agent, or other entity is violating or is about to violate any
22 provision of this Act or any law or of any rule or condition
23 imposed in writing by the Department.

24 The Director ~~Secretary~~ may issue the cease and desist order
25 without notice and before a hearing.

26 The Director ~~Secretary~~ shall have the authority to

1 prescribe rules for the administration of this Section.

2 If it is determined that the Director ~~Secretary~~ had the
3 authority to issue the cease and desist order, he may issue
4 such orders as may be reasonably necessary to correct,
5 eliminate or remedy such conduct.

6 Any person or company subject to an order pursuant to this
7 Section is entitled to judicial review of the order in
8 accordance with the provisions of the Administrative Review
9 Law.

10 The powers vested in the Director ~~Secretary~~ by this Section
11 are additional to any and all other powers and remedies vested
12 in the Director ~~Secretary~~ by law, and nothing in this Section
13 shall be construed as requiring that the Director ~~Secretary~~
14 shall employ the powers conferred in this Section instead of or
15 as a condition precedent to the exercise of any other power or
16 remedy vested in the Director ~~Secretary~~.

17 (Source: P.A. 98-398, eff. 1-1-14.)

18 (215 ILCS 155/21.1)

19 Sec. 21.1. Receiver and involuntary liquidation.

20 (a) The Director's ~~Secretary's~~ proceedings under this
21 Section shall be the exclusive remedy and the only proceedings
22 commenced in any court for the dissolution of, the winding up
23 of the affairs of, or the appointment of a receiver for a title
24 insurance company.

25 (b) If the Director ~~Secretary~~, with respect to a title

1 insurance company, finds that (i) its capital is impaired or it
2 is otherwise in an unsound condition, (ii) its business is
3 being conducted in an unlawful, fraudulent, or unsafe manner,
4 (iii) it is unable to continue operations, or (iv) its
5 examination has been obstructed or impeded, the Director
6 ~~Secretary~~ may give notice to the board of directors of the
7 title insurance company of his or her finding or findings. If
8 the Director's ~~Secretary's~~ findings are not corrected to his or
9 her satisfaction within 60 days after the company receives the
10 notice, the Director ~~Secretary~~ shall take possession and
11 control of the title insurance company, its assets, and assets
12 held by it for any person for the purpose of examination,
13 reorganization, or liquidation through receivership.

14 If, in addition to making a finding as provided in this
15 subsection (b), the Director ~~Secretary~~ is of the opinion and
16 finds that an emergency that may result in serious losses to
17 any person exists, the Director ~~Secretary~~ may, in his or her
18 discretion, without having given the notice provided for in
19 this subsection, and whether or not proceedings under
20 subsection (a) of this Section have been instituted or are then
21 pending, take possession and control of the title insurance
22 company and its assets for the purpose of examination,
23 reorganization, or liquidation through receivership.

24 (c) The Director ~~Secretary~~ may take possession and control
25 of a title insurance company, its assets, and assets held by it
26 for any person by posting upon the premises of each office

1 located in the State of Illinois at which it transacts its
2 business as a title insurance company a notice reciting that
3 the Director ~~Secretary~~ is assuming possession pursuant to this
4 Act and the time when the possession shall be deemed to
5 commence.

6 (d) Promptly after taking possession and control of a title
7 insurance company the Director ~~Secretary~~, represented by the
8 Attorney General, shall file a copy of the notice posted upon
9 the premises in the Circuit Court of either Cook County or
10 Sangamon County, which cause shall be entered as a court action
11 upon the dockets of the court under the name and style of "In
12 the matter of the possession and control by the Director of
13 Insurance ~~Secretary of the Department of Financial and~~
14 ~~Professional Regulation~~ of (insert the name of the title
15 insurance company)". If the Director ~~Secretary~~ determines
16 (which determination may be made at the time of, or at any time
17 subsequent to, taking possession and control of a title
18 insurance company) that no practical possibility exists to
19 reorganize the title insurance company after reasonable
20 efforts have been made, the Director ~~Secretary~~, represented by
21 the Attorney General, shall also file a complaint, if it has
22 not already been done, for the appointment of a receiver or
23 other proceeding as is appropriate under the circumstances. The
24 court where the cause is docketed shall be vested with the
25 exclusive jurisdiction to hear and determine all issues and
26 matters pertaining to or connected with the Director's

1 ~~Secretary's~~ possession and control of the title insurance
2 company as provided in this Act, and any further issues and
3 matters pertaining to or connected with the Director's
4 ~~Secretary's~~ possession and control as may be submitted to the
5 court for its adjudication.

6 The Director ~~Secretary~~, upon taking possession and control
7 of a title insurance company, may, and if not previously done
8 shall, immediately upon filing a complaint for dissolution make
9 an examination of the affairs of the title insurance company or
10 appoint a suitable person to make the examination as the
11 Director's ~~Secretary's~~ agent. The examination shall be
12 conducted in accordance with and pursuant to the authority
13 granted under Section 12 of this Act. The person conducting the
14 examination shall have and may exercise on behalf of the
15 Director ~~Secretary~~ all of the powers and authority granted to
16 the Director ~~Secretary~~ under Section 12. A copy of the report
17 shall be filed in any dissolution proceeding filed by the
18 Director ~~Secretary~~. The reasonable fees and necessary expenses
19 of the examining person, as approved by the Director ~~Secretary~~
20 or as recommended by the Director ~~Secretary~~ and approved by the
21 court if a dissolution proceeding has been filed, shall be
22 borne by the subject title insurance company and shall have the
23 same priority for payment as the reasonable and necessary
24 expenses of the Director ~~Secretary~~ in conducting an
25 examination. The person appointed to make the examination shall
26 make a proper accounting, in the manner and scope as determined

1 by the Director ~~Secretary~~ to be practical and advisable under
2 the circumstances, on behalf of the title insurance company and
3 no guardian ad litem need be appointed to review the
4 accounting.

5 (e) The Director ~~Secretary~~, upon taking possession and
6 control of a title insurance company and its assets, shall be
7 vested with the full powers of management and control
8 including, but not limited to, the following:

9 (1) the power to continue or to discontinue the
10 business;

11 (2) the power to stop or to limit the payment of its
12 obligations;

13 (3) the power to collect and to use its assets and to
14 give valid receipts and acquittances therefor;

15 (4) the power to transfer title and liquidate any bond
16 or deposit made under Section 4 of this Act;

17 (5) the power to employ and to pay any necessary
18 assistants;

19 (6) the power to execute any instrument in the name of
20 the title insurance company;

21 (7) the power to commence, defend, and conduct in the
22 title insurance company's name any action or proceeding in
23 which it may be a party;

24 (8) the power, upon the order of the court, to sell and
25 convey the title insurance company's assets, in whole or in
26 part, and to sell or compound bad or doubtful debts upon

1 such terms and conditions as may be fixed in that order;

2 (9) the power, upon the order of the court, to make and
3 to carry out agreements with other title insurance
4 companies, financial institutions, or with the United
5 States or any agency of the United States for the payment
6 or assumption of the title insurance company's
7 liabilities, in whole or in part, and to transfer assets
8 and to make guaranties, in whole or in part, in connection
9 therewith;

10 (10) the power, upon the order of the court, to borrow
11 money in the name of the title insurance company and to
12 pledge its assets as security for the loan;

13 (11) the power to terminate his or her possession and
14 control by restoring the title insurance company to its
15 board of directors;

16 (12) the power to appoint a receiver which may be the
17 Director of Insurance ~~Secretary of the Department of~~
18 ~~Financial and Professional Regulation~~, another title
19 insurance company, or another suitable person and to order
20 liquidation of the title insurance company as provided in
21 this Act; and

22 (13) the power, upon the order of the court and without
23 the appointment of a receiver, to determine that the title
24 insurance company has been closed for the purpose of
25 liquidation without adequate provision being made for
26 payment of its obligations, and thereupon the title

1 insurance company shall be deemed to have been closed on
2 account of inability to meet its obligations to its
3 insureds or escrow depositors.

4 (f) Upon taking possession, the Director ~~Secretary~~ shall
5 make an examination of the condition of the title insurance
6 company, an inventory of the assets and, unless the time shall
7 be extended by order of the court or unless the Director
8 ~~Secretary~~ shall have otherwise settled the affairs of the title
9 insurance company pursuant to the provisions of this Act,
10 within 90 days after the time of taking possession and control
11 of the title insurance company, the Director ~~Secretary~~ shall
12 either terminate his or her possession and control by restoring
13 the title insurance company to its board of directors or
14 appoint a receiver, which may be the Director of Insurance
15 ~~Secretary of the Department of Financial and Professional~~
16 ~~Regulation~~, another title insurance company, or another
17 suitable person and order the liquidation of the title
18 insurance company as provided in this Act. All necessary and
19 reasonable expenses of the Director's ~~Secretary's~~ possession
20 and control shall be a priority claim and shall be borne by the
21 title insurance company and may be paid by the Director
22 ~~Secretary~~ from the title insurance company's own assets as
23 distinguished from assets held for any other person.

24 (g) If the Director ~~Secretary~~ takes possession and control
25 of a title insurance company and its assets, any period of
26 limitation fixed by a statute or agreement that would otherwise

1 expire on a claim or right of action of the title insurance
2 company, on its own behalf or on behalf of its insureds or
3 escrow depositors, or upon which an appeal must be taken or a
4 pleading or other document filed by the title insurance company
5 in any pending action or proceeding, shall be tolled until 6
6 months after the commencement of the possession, and no
7 judgment, lien, levy, attachment, or other similar legal
8 process may be enforced upon or satisfied, in whole or in part,
9 from any asset of the title insurance company or from any asset
10 of an insured or escrow depositor while it is in the possession
11 of the Director ~~Secretary~~.

12 (h) If the Director ~~Secretary~~ appoints a receiver to take
13 possession and control of the assets of insureds or escrow
14 depositors for the purpose of holding those assets as fiduciary
15 for the benefit of the insureds or escrow depositors pending
16 the winding up of the affairs of the title insurance company
17 being liquidated and the appointment of a successor escrowee
18 for those assets, any period of limitation fixed by statute,
19 rule of court, or agreement that would otherwise expire on a
20 claim or right of action in favor of or against the insureds or
21 escrow depositors of those assets or upon which an appeal must
22 be taken or a pleading or other document filed by a title
23 insurance company on behalf of an insured or escrow depositor
24 in any pending action or proceeding shall be tolled for a
25 period of 6 months after the appointment of a receiver, and no
26 judgment, lien, levy, attachment, or other similar legal

1 process shall be enforced upon or satisfied, in whole or in
2 part, from any asset of the insured or escrow depositor while
3 it is in the possession of the receiver.

4 (i) If the Director ~~Secretary~~ determines at any time that
5 no reasonable possibility exists for the title insurance
6 company to be operated by its board of directors in accordance
7 with the provisions of this Act after reasonable efforts have
8 been made and that it should be liquidated through
9 receivership, he or she shall appoint a receiver. The Director
10 ~~Secretary~~ may require of the receiver such bond and security as
11 the Director ~~Secretary~~ deems proper. The Director ~~Secretary~~,
12 represented by the Attorney General, shall file a complaint for
13 the dissolution or winding up of the affairs of the title
14 insurance company in a court of the county in which the
15 principal office of the title insurance company is located and
16 shall cause notice to be given in a newspaper of general
17 circulation once each week for 4 consecutive weeks so that
18 persons who may have claims against the title insurance company
19 may present them to the receiver and make legal proof thereof
20 and notifying those persons and all to whom it may concern of
21 the filing of a complaint for the dissolution or winding up of
22 the affairs of the title insurance company and stating the name
23 and location of the court. All persons who may have claims
24 against the assets of the title insurance company, as
25 distinguished from the assets of insureds and escrow depositors
26 held by the title insurance company, and the receiver to whom

1 those persons have presented their claims may present the
2 claims to the clerk of the court, and the allowance or
3 disallowance of the claims by the court in connection with the
4 proceedings shall be deemed an adjudication in a court of
5 competent jurisdiction. Within a reasonable time after
6 completion of publication, the receiver shall file with the
7 court a correct list of all creditors of the title insurance
8 company as shown by its books, who have not presented their
9 claims and the amount of their respective claims after allowing
10 adjusted credit, deductions, and set-offs as shown by the books
11 of the title insurance company. The claims so filed shall be
12 deemed proven unless objections are filed thereto by a party or
13 parties interested therein within the time fixed by the court.

14 (j) The receiver for a title insurance company has the
15 power and authority and is charged with the duties and
16 responsibilities as follows:

17 (1) To take possession of and, for the purpose of the
18 receivership, title to the books, records, and assets of
19 every description of the title insurance company.

20 (2) To proceed to collect all debts, dues, and claims
21 belonging to the title insurance company.

22 (3) To sell and compound all bad and doubtful debts on
23 such terms as the court shall direct.

24 (4) To sell the real and personal property of the title
25 insurance company, as distinguished from the real and
26 personal property of the insureds or escrow depositors, on

1 such terms as the court shall direct.

2 (5) To file with the Director ~~Secretary~~ a copy of each
3 report that he or she makes to the court, together with
4 such other reports and records as the Director ~~Secretary~~
5 may require.

6 (6) To sue and defend in his or her own name and with
7 respect to the affairs, assets, claims, debts, and choses
8 in action of the title insurance company.

9 (7) To surrender to the insureds and escrow depositors
10 of the title insurance company, when requested in writing
11 directed to the receiver by them, the escrowed funds (on a
12 pro rata basis), and escrowed documents in the receiver's
13 possession upon satisfactory proof of ownership and
14 determination by the receiver of available escrow funds.

15 (8) To redeem or take down collateral hypothecated by
16 the title insurance company to secure its notes and other
17 evidence of indebtedness whenever the court deems it to be
18 in the best interest of the creditors of the title
19 insurance company and directs the receiver so to do.

20 (k) Whenever the receiver finds it necessary in his or her
21 opinion to use and employ money of the title insurance company
22 in order to protect fully and benefit the title insurance
23 company by the purchase or redemption of property, real or
24 personal, in which the title insurance company may have any
25 rights by reason of any bond, mortgage, assignment, or other
26 claim thereto, the receiver may certify the facts together with

1 the receiver's opinions as to the value of the property
2 involved and the value of the equity the title insurance
3 company may have in the property to the court, together with a
4 request for the right and authority to use and employ so much
5 of the money of the title insurance company as may be necessary
6 to purchase the property, or to redeem the property from a sale
7 if there was a sale, and if the request is granted, the
8 receiver may use so much of the money of the title insurance
9 company as the court may have authorized to purchase the
10 property at the sale.

11 The receiver shall deposit daily all moneys collected by
12 him or her in any State or national bank approved by the court.
13 The deposits shall be made in the name of the Director
14 ~~Secretary~~, in trust for the receiver, and be subject to
15 withdrawal upon the receiver's order or upon the order of those
16 persons the Director ~~Secretary~~ may designate. The moneys may be
17 deposited without interest, unless otherwise agreed. The
18 receiver shall do the things and take the steps from time to
19 time under the direction and approval of the court that may
20 reasonably appear to be necessary to conserve the title
21 insurance company's assets and secure the best interests of the
22 creditors, insureds, and escrow depositors of the title
23 insurance company. The receiver shall record any judgment of
24 dissolution entered in a dissolution proceeding and thereupon
25 turn over to the Director ~~Secretary~~ a certified copy of the
26 judgment.

1 The receiver may cause all assets of the insureds and
2 escrow depositors of the title insurance company to be
3 registered in the name of the receiver or in the name of the
4 receiver's nominee.

5 For its services in administering the escrows held by the
6 title insurance company during the period of winding up the
7 affairs of the title insurance company, the receiver is
8 entitled to be reimbursed for all costs and expenses incurred
9 by the receiver and shall also be entitled to receive out of
10 the assets of the individual escrows being administered by the
11 receiver during the period of winding up the affairs of the
12 title insurance company and prior to the appointment of a
13 successor escrowee the usual and customary fees charged by an
14 escrowee for escrows or reasonable fees approved by the court.

15 The receiver, during its administration of the escrows of
16 the title insurance company during the winding up of the
17 affairs of the title insurance company, shall have all of the
18 powers that are vested in trustees under the terms and
19 provisions of the Trusts and Trustees Act.

20 Upon the appointment of a successor escrowee, the receiver
21 shall deliver to the successor escrowee all of the assets
22 belonging to each individual escrow to which the successor
23 escrowee succeeds, and the receiver shall thereupon be relieved
24 of any further duties or obligations with respect thereto.

25 (1) The receiver shall, upon approval by the court, pay all
26 claims against the assets of the title insurance company

1 allowed by the court pursuant to subsection (i) of this
2 Section, as well as claims against the assets of insureds and
3 escrow depositors of the title insurance company in accordance
4 with the following priority:

5 (1) All necessary and reasonable expenses of the
6 Director's ~~Secretary's~~ possession and control and of its
7 receivership shall be paid from the assets of the title
8 insurance company.

9 (2) All usual and customary fees charged for services
10 in administering escrows shall be paid from the assets of
11 the individual escrows being administered. If the assets of
12 the individual escrows being administered are
13 insufficient, the fees shall be paid from the assets of the
14 title insurance company.

15 (3) Secured claims, including claims for taxes and
16 debts due the federal or any state or local government,
17 that are secured by liens perfected prior to the date of
18 filing of the complaint for dissolution, shall be paid from
19 the assets of the title insurance company.

20 (4) Claims by policyholders, beneficiaries, insureds,
21 and escrow depositors of the title insurance company shall
22 be paid from the assets of the insureds and escrow
23 depositors. If there are insufficient assets of the
24 insureds and escrow depositors, claims shall be paid from
25 the assets of the title insurance company.

26 (5) Any other claims due the federal government shall

1 be paid from the assets of the title insurance company.

2 (6) Claims for wages or salaries, excluding vacation,
3 severance, and sick leave pay earned by employees for
4 services rendered within 90 days prior to the date of
5 filing of the complaint for dissolution, shall be paid from
6 the assets of the title insurance company.

7 (7) All other claims of general creditors not falling
8 within any priority under this subsection (1) including
9 claims for taxes and debts due any state or local
10 government which are not secured claims and claims for
11 attorney's fees incurred by the title insurance company in
12 contesting the dissolution shall be paid from the assets of
13 the title insurance company.

14 (8) Proprietary claims asserted by an owner, member, or
15 stockholder of the title insurance company in receivership
16 shall be paid from the assets of the title insurance
17 company.

18 The receiver shall pay all claims of equal priority
19 according to the schedule set out in this subsection, and shall
20 not pay claims of lower priority until all higher priority
21 claims are satisfied. If insufficient assets are available to
22 meet all claims of equal priority, those assets shall be
23 distributed pro rata among those claims. All unclaimed assets
24 of the title insurance company shall be deposited with the
25 receiver to be paid out by him or her when such claims are
26 submitted and allowed by the court.

1 (m) At the termination of the receiver's administration,
2 the receiver shall petition the court for the entry of a
3 judgment of dissolution. After a hearing upon the notice as the
4 court may prescribe, the court may enter a judgment of
5 dissolution whereupon the title insurance company's corporate
6 existence shall be terminated and the receivership concluded.

7 (n) The receiver shall serve at the pleasure of the
8 Director ~~Secretary~~ and upon the death, inability to act,
9 resignation, or removal by the Director ~~Secretary~~ of a
10 receiver, the Director ~~Secretary~~ may appoint a successor, and
11 upon the appointment, all rights and duties of the predecessor
12 shall at once devolve upon the appointee.

13 (o) Whenever the Director ~~Secretary~~ shall have taken
14 possession and control of a title insurance company or a title
15 insurance agent and its assets for the purpose of examination,
16 reorganization or liquidation through receivership, or
17 whenever the Director ~~Secretary~~ shall have appointed a receiver
18 for a title insurance company or title insurance agent and
19 filed a complaint for the dissolution or winding up of its
20 affairs, and the title insurance company or title insurance
21 agent denies the grounds for such actions, it may at any time
22 within 10 days apply to the Circuit Court of Cook or Sangamon
23 County to enjoin further proceedings in the premises; and the
24 Court shall cite the Director ~~Secretary~~ to show cause why
25 further proceedings should not be enjoined, and if the Court
26 shall find that grounds do not exist, the Court shall make an

1 order enjoining the Director ~~Secretary~~ or any receiver acting
2 under his or her direction from all further proceedings on
3 account of the alleged grounds.

4 (Source: P.A. 94-893, eff. 6-20-06.)

5 (215 ILCS 155/21.2)

6 Sec. 21.2. Notice.

7 (a) Notice of any action by the Director ~~Secretary~~ under
8 this Act or regulations or orders promulgated under it shall be
9 made either personally or by registered or certified mail,
10 return receipt requested, and by sending a copy of the notice
11 by telephone facsimile or electronic mail, if known and
12 operating, and if unknown or not operating, then by regular
13 mail. Service by mail shall be deemed completed if the notice
14 is deposited as registered or certified mail in the post
15 office, postage paid, addressed to the last known address
16 specified in the application for the certificate of authority
17 to do business or certificate of registration of the holder or
18 registrant.

19 (b) The Director ~~Secretary~~ shall notify all registered
20 agents of a title insurance company when that title insurance
21 company's certificate of authority is suspended or revoked.

22 (Source: P.A. 94-893, eff. 6-20-06.)

23 (215 ILCS 155/23) (from Ch. 73, par. 1423)

24 Sec. 23. Violation; penalties.

1 (a) Any violation of any of the provisions of this Act and,
2 beginning January 1, 2013, any violation of any of the
3 provisions of Article 3 of the Residential Real Property
4 Disclosure Act shall constitute a business offense and shall
5 subject the party violating the same to a penalty of \$1000 for
6 each offense.

7 (b) Nothing contained in this Section shall affect the
8 right of the Director ~~Secretary~~ to revoke or suspend a title
9 insurance company's or independent escrowee's certificate of
10 authority or a title insurance agent's registration under any
11 other Section of this Act.

12 (Source: P.A. 97-891, eff. 8-3-12.)

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1 215 ILCS 155/23

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