



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB1604

by Rep. Ann M. Williams

#### SYNOPSIS AS INTRODUCED:

215 ILCS 155/18.1

Amends the Title Insurance Act. In provisions concerning choice of title insurance company, provides that it is the public policy of the State that parties to a contract for the sale of residential real property who are obligated to pay for certain products and services related to title insurance (rather than title insurance) have the right to also choose the independent escrowee that will provide those products and services. Makes conforming changes. Provides that for a county with a population not less than 500,000, a transaction for the sale and purchase or residential real property, the title insurance company issuing the owner's title insurance policy shall issue the lender's title insurance policy for that transaction if the policy is required by the lender. Provides an exception to that if the buyer and seller agree otherwise or the buyer or seller is offered a discount of fees as an inducement to split the title insurance policies, unless the title insurance company issuing the owner's policy agrees to offer the same discount of fees.

LRB101 04673 SMS 49682 b

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 Title Insurance Act is amended by changing  
5 Section 18.1 as follows:

6 (215 ILCS 155/18.1)

7 Sec. 18.1. Choice of title insurance company.

8 (a) It is declared to be the public policy of this State  
9 that, except as limited by subsection (b), parties to a  
10 contract for the sale of residential real property who are  
11 obligated to provide and pay for products and services  
12 enumerated in Section 19 ~~title insurance~~ have the right to  
13 choose the title insurance company, ~~and~~ title insurance agent,  
14 or independent escrowee that will provide such products and  
15 services ~~title insurance~~. No lender or producer of title  
16 business, as the term is defined in this Act, shall, as a  
17 condition of making a loan, providing services of any kind,  
18 including, but not limited to, services as a broker, agent,  
19 lender, attorney, or otherwise, require a party to a contract  
20 for the sale of residential real property who is obligated by  
21 that contract to furnish and pay for products and services  
22 enumerated in Section 19 ~~title insurance~~ at their expense, to  
23 procure such products and services ~~title insurance~~ from a title

1 insurance company, ~~or~~ title insurance agent, or independent  
2 escrowee other than a title insurance company, ~~or~~ title  
3 insurance agent, or independent escrowee that is chosen by the  
4 party paying for the products and services enumerated in  
5 Section 19 title insurance.

6 (b) This subsection (b) applies exclusively to counties in  
7 Illinois having populations not less than 500,000. In a  
8 transaction for the sale and purchase of residential real  
9 property, as defined in this Act, the title insurance company  
10 issuing the owner's title insurance policy shall issue the  
11 lender's title insurance policy for that transaction if such a  
12 policy is required by the lender, unless:

13 (1) the buyer and seller agree otherwise; or

14 (2) the buyer or seller is offered a discount of fees  
15 as an inducement to split the title insurance policies,  
16 unless, prior to the closing of the transaction, the title  
17 insurance company chosen to issue the owner's policy agrees  
18 to offer the same discount of fees.

19 As used in this Section, "fees" includes those fees for  
20 products and services enumerated in Section 19.

21 (Source: P.A. 95-570, eff. 8-31-07.)