

AN ACT concerning regulation.

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

Section 5. The Title Insurance Act is amended by changing Sections 6, 8, and 13 as follows:

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

Sec. 6. Reinsurance.

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

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

(b) A title insurance company licensed to do business in this State shall retain at least \$100,000 of primary liability

for policies it issues, unless a lesser sum is authorized by the Secretary. A lesser sum may be retained at the request of an insured for a particular policy. This subsection (b) applies only to policies issued on or after the effective date of this amendatory Act of the 94th General Assembly.

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

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

Sec. 8. Retained liability.

(a) The net retained liability of a title insurance company for a single risk on property located in this State, whether assumed directly or as reinsurance, may not exceed ~~50% of~~ the total surplus to policyholders as shown in the most recent annual statement of the title insurance company on file with the Department.

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

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

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

Sec. 13. Annual statement.

(a) Each title insurance company shall file with the Department during the month of March of each year, a statement under oath, of the condition of such company on the thirty-first day of December next preceding disclosing the

assets, liabilities, earnings and expenses of the company. The report shall be in such form and shall contain such additional statements and information as to the affairs, business, and conditions of the company as the Secretary may from time to time prescribe or require.

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

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

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