

SENATE BILL REPORT

SHB 1290

As of March 17, 2003

Title: An act relating to bond requirements for title insurance agents.

Brief Description: Establishing bond requirements for title insurance agent licenses.

Sponsors: House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Sump and Mielke).

Brief History:

Committee Activity: Financial Services, Insurance & Housing: 3/20/03.

SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

Staff: Alison Mendiola-Hamilton (786-7576)

Background: The Office of the Insurance Commissioner regulates title insurance companies and agents, including the escrow activities of title insurance companies and agents.

If a title insurance company has a valid certificate of authority and a title agent is duly licensed, they may conduct the business of an escrow agent and are exempt from escrow licensing and escrow agent financial responsibility which includes fidelity and surety bonds.

Summary of Bill: When applying for or renewing a title agent license, if the applicant conducts the business of an escrow agent, the applicant must provide satisfactory evidence of financial responsibility, as is required by licensed escrow agents.

The title agent must have evidence of a fidelity bond, providing coverage in the aggregate amount of \$200,000 with a deductible no greater than \$10,000, or fidelity insurance, and evidence of a surety bond in the amount of \$10,000, unless the fidelity bond does not have a deductible.

For title insurance agents, the fidelity and surety bonds are required prior to the agent's authority to transact escrow business in this state.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.