

# FINAL BILL REPORT

## ESB 5045

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Synopsis as Enacted

**Brief Description:** Allowing title insurance companies to provide a guarantee covering its agents.

**Sponsors:** Senators Doumit and Morton.

**Senate Committee on Financial Institutions, Housing & Consumer Protection**  
**House Committee on Financial Institutions & Insurance**

**Background:** In 2003, legislation was enacted in response to a theft by a title insurance agent. The new law required a bond or insurance for title agents. However, it was discovered that this type of insurance coverage was unavailable, leaving the Office of the Insurance Commissioner with the dilemma of having to potentially not renew, or revoke, all title insurance agents licenses in the state. A bill in 2004 attempted to address this problem, but failed to pass.

**Summary:** Title insurance companies may provide a "guarantee" of financial responsibility, up to \$200,000, for fraudulent or dishonest acts committed by employees, officers, and owners of title insurance companies.

All title insurance agents licensed on or before the effective date of this law have 30 days to comply.

**Votes on Final Passage:**

Senate	46	0
House	94	0

**Effective:** July 24, 2005