

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: H3/20/03 H4/1/03 S4/9/03

A Bill

Act 1767 of 2003
HOUSE BILL 2444

5 By: Representative Cowling
6
7

For An Act To Be Entitled

9 AN ACT CONCERNING REVISIONS TO THE TITLE
10 INSURANCE AGENT'S LICENSING ACT; AND FOR OTHER
11 PURPOSES.
12

Subtitle

14 AN ACT CONCERNING REVISIONS TO THE TITLE
15 INSURANCE AGENT'S LICENSING ACT.
16
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
19

20 SECTION 1. Arkansas Code § 23-103-102 is amended to read as follows:
21 23-103-102. Definitions.

22 As used in this chapter, unless the context otherwise requires:

23 (1) "Business entity" means a corporation, firm, association,
24 partnership, joint venture, limited liability company, limited liability
25 partnership, or other legal business entity;

26 (2) "Commitment" means a contract or binder reporting the state
27 of the title to the real property described and committing the title insurer
28 to issue a contract of title insurance upon compliance with the requirements
29 stated and subject to any exceptions set forth;

30 (3) "Home state" means the District of Columbia and any state or
31 territory of the United States in which a title insurance agent maintains a
32 principal place of residence or principal place of business and is licensed
33 to act as a title insurance agent;

34 (4) "Inactive signing title insurance agent" means a person
35 having a signing agent's license that has been placed in active status by the
36 board;



1 (5) "Issuing title insurance agent" means a person authorized to
 2 issue commitments and contracts of title insurance and to collect premiums in
 3 the name of a title insurer;

4 ~~(4)~~(6) "Person" means any natural person, firm, corporation,
 5 partnership, association, limited liability company, limited liability
 6 partnership, or other business entity;

7 ~~(5)~~(7) "Sell" means to exchange a contract of title insurance
 8 for valuable consideration on behalf of a title insurer;

9 (8) "Signing title insurance agent" means a person authorized
 10 under this chapter to sign commitments and contracts of title insurance;

11 ~~(6)~~(9) "Title insurance" means the insurance defined in § 23-62-
 12 108;

13 ~~(7)~~(10) "Title insurance agent" means a person required to be
 14 licensed under the laws of the State of Arkansas to sell title insurance; and

15 ~~(8)~~(11) "Title insurer" means a person authorized by the State
 16 of Arkansas to underwrite and effectuate a contract of title insurance.

17
 18 SECTION 2. Arkansas Code § 23-103-204(a), concerning license fees
 19 collected by the Arkansas Title Insurance Agent's Board, is amended to read
 20 as follows:

21 (a) The Arkansas Title Insurance Agents' Licensing Board shall collect
 22 fees as follows:

23 (1) ~~Two hundred fifty dollars (\$250) for an original license~~ For
 24 an issuing agent's license the original license fee shall not exceed three
 25 hundred fifty dollars (\$350) and the renewal fee shall not exceed three
 26 hundred fifty dollars (\$350) annually;

27 (2) ~~One hundred fifty dollars (\$150) for a renewal license; and~~
 28 For a signing agent's license the original license fee shall not exceed
 29 twenty-five dollars (\$25.00) and the renewal fee shall not exceed twenty five
 30 dollars (\$25.00) annually;

31 (3) ~~An examination fee in an amount set by the board.~~ For an
 32 inactive status license fee the original fee shall not exceed twenty five
 33 dollars (\$25.00) and the renewal fee shall not exceed twenty five dollars
 34 (\$25.00) annually; and

35 (4) The Board shall have the authority to set reasonable fees
 36 established by regulation promulgated in accordance with the Arkansas

1 Administrative Procedure Act for the performance of its administrative
2 duties, including, but not limited to, the testing of applicants for
3 licenses, transferring licenses, replacing license certificates, and
4 responding to inquiries from regulatory agencies in other states.

5
6 SECTION 3. Arkansas Code § 23-103-301 is amended to read as follows:
7 23-103-301. License required.

8 (a) On and after January 31, 2002, a person shall not sell or receive
9 a premium for a commitment or a contract of title insurance pertaining to
10 real property in this state, unless the person is a title insurer or licensed
11 as a an issuing title insurance agent under this chapter.

12 (b) On and after January 31, 2002, no commitment or contract of title
13 insurance pertaining to real property situated in the State of Arkansas shall
14 be issued, sold, or exchanged, unless the commitment and contract of title
15 insurance is countersigned by a title insurance agent, who is a resident of
16 this state and licensed under this chapter either as an issuing title
17 insurance agent or a signing title insurance agent.

18 (c) The name of the signing agent making the countersignature and the
19 number of the license certificate shall be printed or legibly written by hand
20 underneath the countersignature.

21
22 SECTION 4. Arkansas Code § 23-103-305, concerning the issuance of a
23 license for a title insurance agent, is amended to add an additional
24 subsection to read as follows:

25 (e)(1) The license certificate shall indicate whether the license is
26 issued as an issuing agent license, a signing agent license, or a license for
27 an inactive licensee.

28 (2) An issuing agent license shall be issued to an applicant if
29 the applicant:

30 (A) Provides evidence satisfactory to the board that the
31 applicant may sell or receive premiums for commitments and contracts for
32 title insurance issued by the applicant in the name of a title insurer;

33 (B) Provides evidence satisfactory to the board that the
34 applicant may sell or receive premiums for commitments and contracts of title
35 insurance issued by the applicant in the name of a title insurer;

36 (C) Satisfies the requirements for licensure under § 23-

1 103-305(a) and (b); and

2 (D) Provides evidence satisfactory to the board that the
3 applicant is an insured under an errors and omissions policy of insurance in
4 an amount no less than two hundred fifty thousand dollars (\$250,000), or
5 other evidence of financial responsibility satisfactory to the board.

6 (3) A signing agent license shall be issued to an applicant if the
7 applicant:

8 (A) Provides evidence satisfactory to the board that upon
9 licensure the applicant will be authorized by the issuing agent to
10 countersign commitments and contracts of title insurance on behalf of the
11 issuing agent; and

12 (B) Satisfies the requirements for licensure under § 23-
13 103-305(a) and (b).

14 (4) An inactive signing agent's license shall be issued to all
15 other applicants who otherwise would qualify for licensure under § 23-103-
16 305(a) and (b).

17
18 SECTION 5. Arkansas Code § 23-103-307 is amended to read as follows:
19 23-103-307. Abstractor's exemption from examination.

20 (a) Every person to whom the State of Arkansas has issued, as of
21 January 1, 2001, a certificate of registration as a registered abstractor or
22 a certificate of authority to engage in the business of abstracting, shall be
23 exempt from the examination required in § 23-103-304, and the person,
24 including each natural person designated by a business entity to exercise the
25 powers to be conferred by the title insurance agent's license, who is an
26 Arkansas-registered abstractor on January 1, 2001, upon payment of the
27 original license fee, shall be certified by the Arkansas Title Insurance
28 Agents' Licensing Board as a licensed title insurance agent, and the license
29 certificate shall be immediately issued to the person.

30 (b) An Arkansas registered abstractor eligible for the exemption
31 granted in this section shall become ineligible for the exemption after
32 January 31, 2005.

33
34 SECTION 6. Arkansas Code Title 23, Chapter 103, Subchapter 3 is
35 amended to add an additional section to read as follows:

36 23-103-315. Transfer and cancellation of license.

1 (a)(1) An issuing agent may effect the transfer of a signing agent's
2 license or an inactive signing agent's license to the issuing agent by
3 furnishing evidence satisfactory to the board that the signing agent has been
4 authorized to countersign commitments and contracts of title insurance in the
5 name of the issuing agent and has otherwise satisfied the requirements for
6 licensure under this chapter.

7 (2) The board shall then issue a replacement license certificate
8 to the signing agent naming the issuing agent thereon.

9 (b)(1) An issuing agent shall effect the cancellation of a signing
10 agent's license that has been placed with the issuing agent by providing
11 evidence satisfactory to the board that the signing agent licensee no longer
12 may countersign commitments and contracts of title insurance on behalf of the
13 issuing agent.

14 (2) The board shall then cancel the license certificate issued
15 to the signing agent licensee.

16 (3) The signing agent's license shall be placed on inactive
17 status.

18
19 SECTION 7. Arkansas Code Title 23, Chapter 103, Subchapter 3 is
20 amended to add an additional section to read as follows:

21 23-103-316. Continuing education - requirements.

22 (a) Beginning February 1, 2004, as a condition precedent to renewal or
23 reactivation of licenses, licensees shall meet the following requirements:

24 (1)(A) Before activation of a license on inactive status, the
25 licensee shall satisfactorily complete four (4) classroom hours or equivalent
26 continuing education units or equivalent correspondence work of continuing
27 education for each year inactive not to exceed twenty (20) classroom hours.

28 (B) However, satisfying the requirements in subdivision
29 (a)(1)(A) of this section, will only satisfy the requirements for that
30 particular license year and not for the following license year;

31 (2)(A) Persons licensed as title insurance agents shall
32 successfully complete four (4) classroom hours or equivalent continuing
33 education units or equivalent correspondence work of continuing education
34 annually.

35 (B) At least one (1) hour or equivalent continuing
36 education unit shall be in a specific topic or topics as identified by the

1 board.

2 (C) Persons satisfying the requirements in subdivision
3 (a)(2)(A) of this section, shall be deemed to have successfully completed the
4 continuing education requirements for the licensing year following the year
5 in which first licensed in Arkansas; and

6 (3) A nonresident licensee may meet this state's continuing
7 education requirements by taking courses that meet the continuing education
8 requirements of his or her resident state for the licensing year in question,
9 if:

10 (A) The course or courses consist of no fewer than four
11 (4) classroom hours or equivalent continuing education units of title
12 insurance related subjects and otherwise comply with the minimum requirements
13 of this chapter; and

14 (B) Evidence of the compliance satisfactory to the board
15 is submitted in form, manner, and content prescribed by the board.

16 (b) Licensees on inactive status are not required to comply with this
17 subchapter during their inactive status.

18 (c) The board may waive all or part of the requirements of subsection
19 (a) of this section for any licensee who submits satisfactory evidence of
20 inability to meet the continuing education requirements due to health reasons
21 or other hardship or extenuating circumstances beyond the licensee's control.

22 (d) Licenses for persons who apply for renewal of his or her license
23 and who do not provide to the board evidence of meeting the continuing
24 education requirements, but who have otherwise met all requirements for
25 license renewal, shall be placed on inactive status until the evidence is
26 provided to the board.

27 (e) If the licensee fails to complete the post-licensure education
28 requirements within twelve (12) months after the date the license was issued,
29 the board shall place the license on inactive status until the board receives
30 documentation that the licensee has completed the post-licensure education
31 requirements.

32 (f) The board may prescribe forms and certificates to be utilized by
33 continuing education providers and licensees in the administration and
34 completion of continuing education courses.

35 (g) The board may require continuing education providers to maintain
36 course records and to make these records available to the board for audit and

1 review.

2 (h) The board may require licenses to maintain continuing education
3 records and to provide the records to the board to ensure compliance with the
4 continuing education requirements.

5 (i) Renewal of a license issued to an attorney licensed in this state
6 under § 23-103-302, is subject to § 23-103-310 except that the renewal shall
7 not be subject to the continuing education requirements of this chapter.

8

9

/s/ Cowling

10

11

12

APPROVED: 4/22/2003

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36