

Memorandum

To: Examining Counsels and Closing Attorneys
From: Holland Land Title & Abstract Co., Inc.
Date: 9/29/2014
Re: New York State Title Insurance Agent Licensing

The 2014 New York State Budget includes legislation that would require title insurance to be licensed by the State's Department of Financial Services (DFS). The legislation was passed on April 1, 2014 and will take effect on October 1, 2014. This legislation requires title insurance agents to pay licensing fees, pass an exam to become licensed (attorneys in good standing with the New York State Office of Court Administration are exempt from testing) and maintain continuing education requirements.

The substance of Insurance Law Section 2102 prohibits any person or business entity from acting as an insurance producer in New York, including as a title insurance agent, without a license. Insurance Law Section 2101(y) defines "title insurance agent" as any authorized or acknowledged agent of a title insurance corporation, and any subagent or other representative of such an agent, who or which for commission, compensation, or any other thing of value, performs the following acts in conjunction with the issuance of a title insurance policy:

- 1: Sells or negotiates the sale of a title insurance policy;
- 2: Evaluates the insurability of title, based upon the performance or review of a title search; and
- 3: Performs one or more of the following functions:
 - A: Collects remits or disburses title insurance premiums, escrows or other related funds;
 - B: Prepares amends, marks up or delivers a title insurance commitment or certificate of title for the purposes of the issuance of a title insurance policy by a title insurance corporation;

C: Prepares, amends or delivers a title insurance policy on behalf of a title insurance corporation; or

D: Negotiates the clearance of title exceptions in connection with the issuance of a title insurance policy.

Here are the steps you need to take:

1: File application by January 1, 2015

New York State Law Section 2139 requires a Title Insurance Agent license of any person, firm, association or corporation acting as a title insurance agent of any authorized title insurance corporation. Title Insurance Agent licenses will be issued with an effective date of no earlier than September 29, 2014.

http://www.dfs.ny.gov/insurance/lic_title.htm

The link above will take you to two different licensing applications individual and entity. An applicant must submit a fully completed and signed application for a title insurance agent's license, including all applicable attachments, and the licensing fee in accordance with the fee schedule. Checks should payable to the "Superintendent of Financial Services." Applicants should mail their applications to:

New York State Department of Financial Services Licensing Bureau
One Commerce Plaza
Albany, NY 12257

Please also note that if you apply for an entity license, there is no additional charge for the entity, but the cost for each sub-licensee is \$40 each.

Example: ABC Title Agency which application lists 4 sub-licensees, the fee is \$160.00.

We have heard of entity applications being rejected due to improper fees being paid.

Please be aware that either the individual or entity licenses renew every two years. This is the mid-year of the two years. The license you receive this year (2014) will renew again, in 2015 at the published rates on the above website, i.e. \$80.00.

2: Take pre-licensing course (if not exempt)

Currently, only one pre-licensing course is available:

Provider New York Real Estate and Insurance Institute
1620 East 2nd Street
Brooklyn, NY 11230
Contact: Shobha Jammula (718)382-4332

Other courses are under development. As we become notified of the details, we will provide them to you.

You can claim an exemption from Pre-licensing course and exam if you are:

- a) An admitted attorney in good standing with the New York State Office of Court Administration.

Applicant must submit a certificate of good standing from the New York State Office of Court Administration with their license application.

You must obtain your Certificate of Good Standing from the department in which you were originally admitted. If you were admitted in the Fourth Department, please use the below link to obtain your certificate of good standing.

<http://www.nycourts.gov/courts/ad4/clerk/attymttrs/COGS.html>

- b) Title Insurance Agent Experience

Applicant must demonstrate to the satisfaction of the Superintendent of Financial Services that the applicant has, without interruption, **regularly and continuously** performed the functions of title insurance agent as described above for at least 5 years.

Applicant must submit one or more completed Statement of Experience forms with the Licensing Application.

The statement of experience is part of the License Application

3: Pass the exam, once available, (if not exempt.)

4: Receive Appointment as an authorized Title Agent from a NYS Licensed Underwriter

The Agent Title License you receive from NYS is inactive until such time you receive a "Certificate of Appointment" from an Underwriter. Most underwriters will be filing online certificates once you begin the licensing process.

The underwriters are still in the processing of establishing a procedure for this. Once a determination has been made, we will provide this information to you.

Below are links if you have additional questions, and of course Holland Staff is here to guide you through the necessary procedures for licensing.

<http://www.nyslta.org/advocacy/2013-2014-title-agent-licensing-bill>