

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 221

FINAL READING

Introduced by La Grone, 49.

Read first time January 14, 2019

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to the Title Insurers Act; to amend section
2 44-1984, Reissue Revised Statutes of Nebraska; to change provisions
3 relating to limitations on powers; and to repeal the original
4 section.

5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-1984, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 44-1984 (1) No insurer that transacts any line of business other
4 than title insurance shall be eligible for the issuance or renewal of a
5 certificate of authority to transact the business of title insurance in
6 this state nor shall title insurance be transacted, underwritten, or
7 issued by any insurer transacting or authorized to transact any other
8 line of business.

9 (2)(a) Notwithstanding subsection (1) of this section, and to the
10 extent such coverage is lawful within this state, a title insurer shall
11 issue closing or settlement protection covering a proposed insured if the
12 title insurer or its title insurance agent engages in any escrow,
13 settlement, or closing services relating to the issuance of a title
14 insurance commitment or title insurance policy to a proposed insured
15 ~~issues a title insurance commitment or title insurance policy.~~ Such
16 closing or settlement protection shall conform to the terms of coverage
17 and form of instrument as required by the director and shall indemnify a
18 proposed insured solely against loss of settlement funds only because of
19 the following acts of a title insurer's named title insurance agent:

20 (i) Theft of settlement funds; and

21 (ii) Failure to comply with written closing instructions by the
22 proposed insured when agreed to by the title insurance agent relating to
23 title insurance coverage.

24 (b) The director may prescribe or approve a required charge for
25 providing the coverage.

26 (c) A title insurer shall not provide any other coverage which
27 purports to indemnify against improper acts or omissions of a person with
28 regard to escrow, settlement, or closing services.

29 Sec. 2. Original section 44-1984, Reissue Revised Statutes of
30 Nebraska, is repealed.