

WFG Underwriting Bulletin



To: All Oklahoma Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: October 16, 2018
Bulletin No.: OK 2018-01
Subject: New Legislation

Effective November 1, 2018, 36 O.S. 2011, Section 5001 has been amended. Below we set out the entire text of revised Section 5001, complete with the ~~deleted provisions~~ and the added provisions.

Following each paragraph, we set out in bold print WFG's comments regarding the changes.

As always, we appreciate your business and please let us know if you have any questions about this Bulletin or about any other matter.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 36 O.S. 2011, Section 5001, as last amended by Section 2, Chapter 148, O.S.L. 2017 (36 O.S. Supp. 2017, Section 5001), is amended to read as follows:

Section 5001. A. Any foreign or domestic stock insurer authorized by its corporate charter to engage in business as a title insurer shall be entitled to the issuance of a certificate of authority as a title insurer in this state upon meeting the applicable requirements of Article 6, Authorization of Insurers and General Requirements, of the Oklahoma Insurance Code, except that existing title insurers may have their certificate of authority renewed by maintaining surplus in regard to policyholders of not less than Five Hundred Thousand Dollars (\$500,000.00).

WFG: There is no change to this paragraph

B. A person engaged in the business of preparing or issuing abstracts of, but not guaranteeing or insuring, title to property, or a person acting only as ~~agent for~~ a title insurance producer appointed by a title insurer, shall not be deemed to be a title insurer.

WFG: Clarifies who is considered to be a 'title insurer' in Oklahoma.

C. Every commitment and policy of title insurance issued by any insurance company authorized to do business in this state shall be countersigned by some person, partnership, corporation or agency actively engaged in the real estate title business and maintaining an office in the state, who is a duly appointed ~~agent of~~ a title insurance producer for a title insurance company holding a valid license and authorized to do business in the state; provided, that no commitment or policy of title insurance shall be issued in the State of Oklahoma except:

WFG: Commitments as well as title issuance policies shall be countersigned by a duly appointed producer for a title insurance company authorized do to business in Oklahoma.

1. After examination by an attorney licensed to practice in this state of a duly certified abstract extension or supplemental abstract prepared by an abstractor licensed in the county where the property is located, from a certified abstract plant in the county where the property is located or per a temporary certificate of authority as provided in Section 33 of Title 1 of the Oklahoma Statutes, from the effective date of a prior owner's policy of title insurance issued by a title insurer licensed in this state provided by the insured ~~pursuant to the policy,~~ the prior title insurance producer or the prior title insurer, at the time a valid order is placed pursuant to the provisions of the Oklahoma Abstractors Law brought forward to the effective date of the abstract plant. Subject to the conditions and stipulations, the exclusions from coverage, exceptions from coverage and endorsements to the policy, any policy issued based on a prior owner's policy and a supplemental abstract shall insure the insured against loss or damage sustained or incurred by reason of unmarketability of title from sovereignty to the effective date of the policy, not to exceed the amount of insurance stated in the policy; or

WFG: An abstractor can use a prior owner's title insurance policy provided by the insured, the prior title insurance producer or the prior title insurer.

2. If ~~the previously insured owner does not provide a copy of the~~ a prior owner's policy of title insurance is not provided, then a title insurance commitment and policy may be issued after examination by an attorney licensed to practice in this state of a duly certified abstract of title prepared by a bonded and licensed abstractor as defined in the Oklahoma Abstractors Law.

WFG: If no prior owner's title insurance policy is provided, the attorney examining title shall review the certified abstract of title prepared by a bonded and licensed abstractor.

D. If the current owner or insured, or the owner's or insured's authorized agent requests, in writing, a copy of any previously issued owner's policy, the ~~licensed~~ title insurance producer or the ~~underwriting title insurance company~~ insurer that issued the policy shall provide the requesting party with a copy of the schedules in the previously issued policy ~~without delay~~ within five (5) business days, unless there exists an unavoidable delay.

WFG: Clarifies that if the current owner or insured makes a written request for a previously issued owner's policy, the insurance producer or the policy underwriter shall provide it within five (5) business days, unless there exists an unavoidable delay.

E. As used in ~~subsections B and C~~ of this section, the term "~~agent~~" "representative" shall mean a person authorized to act on behalf of or in place of another in the current transaction.

WFG: Replaces the term "representative" for the deleted term "agent."

F. Every title insurance producer, title insurer or person who conducts a real estate closing that presents, for filing in the office of the county clerk, an instrument of conveyance or vesting title in connection with a transaction in which an owner's policy of title insurance is to be issued by a title insurance producer or title insurer that is based upon such instrument shall place a legend within the instrument that sets forth the following information:

Deed presented for filing by: [Name of title insurance producer, title insurer or person conducting closing]

File Number: [File Number of title insurance producer, title insurer or person conducting closing]

[Name of Title Insurer designated in the Commitment for Title Insurance]

WFG: A title insurance producer, title insurer or person who conducts a real estate closing who files with the county clerk an instrument of conveyance in in connection with a transaction in which an owner's policy of title insurance is to be issued shall place certain required information within the instrument.

G. The Insurance Department shall maintain, for each title insurance producer or title insurer holding a valid license and authorized to do business in the state, contact information for the office or person responsible for making available copies of owner's policies pursuant to this statute and shall make such contact information generally available to the public on its website and by telephone request.

WFG: Requires the Oklahoma Insurance Department to retain contact information for each licensed title insurance producer or title insurer.

H. The Insurance Commissioner may promulgate rules and regulations to carry out the provisions of this section.

WFG: This paragraph is self-explanatory.

SECTION 2. This act shall become effective November 1, 2018.

NOTE: The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.