

House Engrossed

DIFI; title companies; recorded documents

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HOUSE BILL 2738

AN ACT

AMENDING SECTIONS 20-1580 AND 20-1591, ARIZONA REVISED STATUTES; RELATING
TO TITLE INSURERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-1580, Arizona Revised Statutes, is amended to
3 read:

4 20-1580. Title insurance agents to be licensed;
5 responsibility; recorded documents

6 A. Title insurance agents shall be licensed by the
7 director. Application for license shall be made on forms approved by the
8 director, and the director shall issue a license ~~upon~~ ON completion and
9 filing the application and payment of the license fee specified in section
10 20-167.

11 B. Licenses of title insurance agents shall expire quadrennially at
12 midnight on the last day of the same month four years after the license
13 was issued or renewed unless sooner terminated by the withdrawal by the
14 insurer of authority in the agent, or unless revoked by the director.

15 C. Title insurance agents' licenses shall be renewed quadrennially
16 on the filing of an application containing such information as the
17 director deems necessary.

18 D. The director may grant a temporary license to a corporation or
19 limited liability company that is qualified for licensing as a title
20 insurance agent. The license shall remain in force and effect for a
21 period of six months. If the applicant fails to qualify for a regular
22 title insurance agent's license as provided in this section, ~~no~~ A renewal
23 or extension may NOT be granted.

24 E. TITLE INSURANCE AGENTS ARE RESPONSIBLE FOR RECORDING DOCUMENTS
25 RELATED TO THE TRANSACTION OF PROPERTY.

26 Sec. 2. Section 20-1591, Arizona Revised Statutes, is amended to
27 read:

28 20-1591. Forms of policies and other contracts of title
29 insurance; approval or disapproval; attorney fees

30 A. Every title insurer shall file with the director all forms of
31 title policies and other contracts of title insurance before issuance of
32 any policy or contract. A title insurance rating organization may make
33 filings on behalf of all of its members or subscribers. A title insurer
34 shall not issue any policy or contract until thirty days after the policy
35 or contract has been filed with the director. A policy or contract is
36 approved thirty days after filing unless the director has issued, within
37 the ~~thirty-day~~ THIRTY-DAY period, an order affirmatively approving or
38 disapproving the form. On written notice given within the ~~thirty-day~~
39 THIRTY-DAY period to the person making the filing, the director may extend
40 the period for up to fifteen additional days to enable the director to
41 complete the review of the filing.

42 B. Forms of title policies and other contracts of insurance, as
43 used in this section, shall specifically exclude:

- 44 1. Reinsurance contracts or agreements. ~~;~~

1 2. All specific defects in title that may be ascertained from an
2 examination of the risk and excepted in reports, binders or policies,
3 together with any affirmative assurance of the title insurer with respect
4 to the defects whether given by endorsement or otherwise. ~~, and~~

5 3. Further exceptions from coverage by reason of limitations on the
6 examination of the risk imposed by an applicant for insurance or through
7 failure of an applicant for insurance to provide the data requisite to a
8 judgment of insurability.

9 C. A TITLE INSURER OR ITS AGENTS MAY NOT ENTER INTO ANY AGREEMENT
10 WITH AN APPLICANT FOR INSURANCE, OR WITH AN OWNER OR OCCUPANT OF REAL
11 PROPERTY FOR WHICH INSURANCE HAS BEEN OR MAY BE ISSUED, THAT SHIFTS
12 LIABILITY FOR ITS ERRORS OR OMISSIONS TO THE INSURED. ANY CONTRACT OR
13 PROVISION IN A CONTRACT TO THE CONTRARY IS VOID AS A MATTER OF PUBLIC
14 POLICY.