

SENATE BILL NO. 231

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY SENATORS RIEGER, Frank, Pearce, Miller, Sharp, Taylor

Introduced: 1/22/96

Referred: State Affairs

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to title insurance; and providing for an effective date."

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** AS 21.66.190 is amended by adding a new subsection to read:

4 (c) Except for an administrative fee not to exceed \$75, for a period of 15 years
5 after the date a policy of residential title insurance is issued, a title insurance company
6 may not charge an additional amount to add a person as an insured to that residential
7 title insurance policy.

8 * **Sec. 2.** AS 21.66.370(f) is amended to read:

9 (f) A title insurance company or title insurance limited producer may not
10 charge an amount [A RATE] for a policy or contract of title insurance that exceeds
11 [EXCEPT IN ACCORDANCE WITH] filings or rates that are in effect for the title
12 insurance company as provided in this chapter. This section may not be construed
13 as prohibiting a title insurance company or title insurance limited producer from
14 charging an amount that is less than the filings or rates that are in effect as
15 provided in this chapter.

1 * **Sec. 3.** AS 21.66.380(a) is amended to read:

2 (a) A rate filing shall be accompanied by a statement of the title insurance
3 company making the filing, setting out the basis on which the rate was determined,
4 **and setting out the actual amounts charged for policies and contracts of title**
5 **insurance of the same classification during the previous 12 months** [WITH THE
6 RATES COMPUTED]. A filing of rates may be justified by

7 (1) the experience or judgment of the title insurance company making
8 the filing;

9 (2) its interpretation of any statistical data relied upon;

10 (3) the experience of other title insurance companies making the filings;

11 or

12 (4) any other factors that the title insurance company considers
13 relevant.

14 * **Sec. 4.** AS 21.66.410(a) is amended to read:

15 (a) The director may prescribe by regulation

16 (1) guidelines reasonably adaptable to each of the rating systems on file
17 with the director;

18 (2) a uniform classification of accounts to be observed;

19 (3) statistics to be reported; **reported statistics must include the**
20 **actual amounts charged for policies and contracts of title insurance during the**
21 **reporting period;** and

22 (4) uniform forms for reporting this data by all title insurance
23 companies.

24 * **Sec. 5.** AS 21.66.480(4) is amended to read:

25 (4) "rate" means a **maximum** charge for title insurance risk,
26 abstracting, searching, examination or determination of insurability, and every other
27 activity, exclusive of escrow, settlement, or closing charges, whether denominated
28 premium or otherwise, made by a title insurance company or an agent of a title
29 insurance company to an insured or to an applicant for insurance, for a policy or
30 contract of title insurance; however, "rate" does not include charges paid to and
31 retained by an attorney at law, abstractor, surveyor, tax service, or any other person

1 acting in a capacity other than as a title insurance limited producer and on behalf of
2 a client other than a title insurance company, or charges made for special services,
3 even though performed in connection with a title insurance policy or contract;

4 * **Sec. 6.** AS 21.66.360, 21.66.390(a), and 21.66.410(c) are repealed.

5 * **Sec. 7.** This Act applies to a policy of title insurance issued or renewed on or after the
6 effective date of this Act.

7 * **Sec. 8.** This Act takes effect July 1, 1996.