**South Carolina General Assembly**

119th Session, 2011-2012

**A217, R222, S1319**

**STATUS INFORMATION**

General Bill

Sponsors: Senators L. Martin, Matthews, Hayes and Ford

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Introduced in the Senate on March 7, 2012

Introduced in the House on April 24, 2012

Passed by the General Assembly on May 31, 2012

Governor's Action: June 11, 2012, Signed

Summary: Closing or settlement insurance

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

3/7/2012 Senate Introduced and read first time ([Senate Journal‑page 6](file:///h:\sj%20archive\2012\03-07-12.docx))

3/7/2012 Senate Referred to Committee on **Banking and Insurance** ([Senate Journal‑page 6](file:///h:\sj%20archive\2012\03-07-12.docx))

4/12/2012 Senate Committee report: Favorable **Banking and Insurance** ([Senate Journal‑page 6](file:///h:\sj%20archive\2012\04-12-12.docx))

4/18/2012 Senate Read second time ([Senate Journal‑page 28](file:///h:\sj%20archive\2012\04-18-12.docx))

4/18/2012 Senate Roll call Ayes‑36 Nays‑2 ([Senate Journal‑page 28](file:///h:\sj%20archive\2012\04-18-12.docx))

4/19/2012 Senate Read third time and sent to House ([Senate Journal‑page 17](file:///h:\sj%20archive\2012\04-19-12.docx))

4/24/2012 House Introduced and read first time ([House Journal‑page 17](file:///h:\hj%20archive\2012\04-24-12.docx))

4/24/2012 House Referred to Committee on **Labor, Commerce and Industry** ([House Journal‑page 17](file:///h:\hj%20archive\2012\04-24-12.docx))

5/24/2012 House Committee report: Favorable **Labor, Commerce and Industry** ([House Journal‑page 2](file:///h:\hj%20archive\2012\05-24-12.docx))

5/30/2012 House Read second time ([House Journal‑page 46](file:///h:\hj%20archive\2012\05-30-12.docx))

5/30/2012 House Roll call Yeas‑61 Nays‑46 ([House Journal‑page 46](file:///h:\hj%20archive\2012\05-30-12.docx))

5/31/2012 House Read third time and enrolled ([House Journal‑page 36](file:///h:\hj%20archive\2012\05-31-12.docx))

6/5/2012 Ratified R 222

6/11/2012 Signed By Governor

6/19/2012 Effective date 06/11/12

6/21/2012 Act No. 217

**VERSIONS OF THIS BILL**

[3/7/2012](file:///p:\pprever\2011-12\1319_20120307.docx)

[4/12/2012](file:///p:\pprever\2011-12\1319_20120412.docx)

[5/24/2012](file:///p:\pprever\2011-12\1319_20120524.docx)

(A217, R222, S1319)

**AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 38‑75‑1010 SO AS TO PROVIDE THAT A TITLE INSURER MAY ISSUE CLOSING OR SETTLEMENT INSURANCE, TO PROVIDE FOR LOSS AGAINST WHICH THIS INSURANCE MAY INDEMNIFY AN INSURED, AND TO PROVIDE THAT A PREMIUM CHARGED PURSUANT TO THIS SECTION MUST BE APPROVED BY THE DEPARTMENT AND MUST NOT BE SUBJECT TO ANY AGREEMENT REQUIRING A DIVISION OF FEES OR PREMIUMS COLLECTED ON BEHALF OF THE TITLE INSURER.**

Be it enacted by the General Assembly of the State of South Carolina:

**Title insurers, issuance of closing or settlement insurance**

SECTION 1. Article 11, Chapter 75, Title 38 of the 1976 Code is amended by adding:

“Section 38‑75‑1010. (A) Notwithstanding Section 38‑5‑30, a title insurer may issue closing or settlement protection to a person who is a party to a transaction in which a title insurance policy will be issued, but may not provide any other coverage that purports to indemnify against improper acts or omissions of a person with regard to settlement or closing services.

(B) Closing or settlement protection may indemnify a person only against loss of closing or settlement funds because of one of the following acts of a settlement agent under the terms and conditions of the closing or settlement protection:

(1) theft or misappropriation of settlement funds in connection with a transaction in which a title insurance policy will be issued by or on behalf of the title insurer issuing the closing or settlement protection, but only to the extent that the theft relates to the status of the title to that interest in land or to the validity, enforceability, and priority of the lien of the mortgage on that interest in land; or

(2) failure to comply with the written closing instructions when agreed to by the settlement agent, title agent, or employee of the title insurer, but only to the extent that the failure to follow the instructions relates to the status of the title to that interest in land or the validity, enforceability, and priority of the lien of the mortgage on that interest in land.

(C) A premium charged by a title insurer for each party receiving closing or settlement protection must be submitted to and approved by the department in accordance with this article and must not be subject to any agreement requiring a division of fees or premiums collected on behalf of the title insurer.”

**Time effective**

SECTION 2. This act takes effect upon approval by the Governor.

Ratified the 5th day of June, 2012.

Approved the 11th day of June, 2012.

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