

96TH GENERAL ASSEMBLY
State of Illinois
2009 and 2010
SB2111

Introduced 2/20/2009, by Sen. Don Harmon

SYNOPSIS AS INTRODUCED:

215 ILCS 155/26 new

Amends the Title Insurance Act. Provides that a title insurance company, title insurance agent, or independent escrowee shall not make disbursements in connection with any escrows, settlements, or closings out of a fiduciary trust account or accounts unless the funds in the aggregate amount of \$50,000 or greater received from any single party to the transaction are wired funds unconditionally held by and credited to the fiduciary trust account of the title insurance company, title insurance agent, or independent escrowee; are good funds as defined in the provision; or are collected funds as defined in the provision. Provides that a title insurance company or title insurance agent shall not make disbursements in connection with any escrows, settlements, or closings out of a fiduciary trust account or accounts unless the funds in the amount of less than \$50,000 received from any single party to the transaction are collected funds or good funds as defined in the provision. Sets forth definitions for "good funds" and "collected funds". Effective January 1, 2010.

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A BILL FOR

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1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Title Insurance Act is amended by adding
5 Section 26 as follows:

6 (215 ILCS 155/26 new)

7 Sec. 26. Settlement funds.

8 (a) A title insurance company, title insurance agent, or
9 independent escrowee shall not make disbursements in

10 connection with any escrows, settlements, or closings out of a
11 fiduciary trust account or accounts unless the funds in the
12 aggregate amount of \$50,000 or greater received from any single
13 party to the transaction are wired funds unconditionally held
14 by and credited to the fiduciary trust account of the title
15 insurance company, title insurance agent, or independent
16 escrowee; are good funds as defined in paragraphs (6) or (7) of
17 subsection (c) of this Section; or are collected funds as
18 defined in subsection (d) of this Section.

19 (b) A title insurance company or title insurance agent
20 shall not make disbursements in connection with any escrows,
21 settlements, or closings out of a fiduciary trust account or
22 accounts unless the funds in the amount of less than \$50,000
23 received from any single party to the transaction are collected

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1 funds or good funds as defined in subsection (c) of this
2 Section.

3 (c) "Good funds" means funds in one of the following forms:

4 (1) lawful money of the United States;

5 (2) wired funds unconditionally held by and credited to
6 the fiduciary trust account of the title insurance company,
7 the title insurance agent, or independent escrowee;

8 (3) cashier's checks, certified checks, bank money
9 orders, official bank checks, or teller's checks drawn on
10 or issued by a financial institution chartered under the
11 laws of any state or the United States and unconditionally
12 held by the title insurance company, title insurance agent,
13 or independent escrowee;

14 (4) a personal check or checks in an aggregate amount
15 not exceeding \$5,000 per closing, provided that the title
16 insurance company, title insurance agent, or independent
17 escrowee has reasonable grounds to believe that sufficient
18 funds are available for withdrawal in the account upon
19 which the check is drawn at the time of disbursement;

20 (5) a check drawn on the trust account of any lawyer or
21 real estate broker licensed under the laws of any state,
22 provided that the title insurance company, title insurance
23 agent, or independent escrowee has reasonable and prudent

24 grounds to believe that sufficient funds are available for
25 withdrawal in the account upon which the check is drawn at
26 the time of disbursement;

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1 (6) a check issued by this State, the United States, or
2 a political subdivision of this State or the United States;
3 or

4 (7) a check drawn on the fiduciary trust account of a
5 title insurance company or title insurance agent, provided
6 that the title insurance company, title insurance agent, or
7 independent escrowee has reasonable grounds to believe
8 that sufficient funds are available for withdrawal in the
9 account upon which the check is drawn at the time of
10 disbursement.

11 (d) "Collected funds" means funds deposited, finally
12 settled, and credited to the title insurance company, title
13 insurance agent, or independent escrowee's fiduciary trust
14 account.

15 Section 99. Effective date. This Act takes effect January
16 1, 2010.