

VIRGINIA ACTS OF ASSEMBLY -- 1997 SESSION

CHAPTER 426

An Act to amend and reenact § 38.2-4601.1 of the Code of Virginia, relating to title insurance; deposit of escrowed funds.

[H 2892]

Approved March 15, 1997

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-4601.1 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-4601.1. Title insurance agency or agent defined.

A "title insurance agency or agent" means any individual, corporation, partnership, or any other legal entity licensed in the Commonwealth as a title insurance agent and appointed by a title insurance company licensed in the Commonwealth, who shall perform all of the following services (for which liability arises) relevant to the issuance of title insurance policies, subject to the underwriting directives and guidelines of the agent's title insurance company. These services shall include (i) the evaluation of the title search to determine the insurability of the title; (ii) a determination of whether or not underwriting objections have been cleared; (iii) the actual issuance of a title commitment or binder and endorsements; and (iv) the actual issuance of the policy or policies and endorsements on behalf of the title insurance company. *A title insurance agent holding any funds in escrow shall promptly deposit such funds in a trust account in a financial institution licensed to do business in this Commonwealth. Such trust account shall be separate from all other accounts held by the agent.*