

2003 SESSION

INTRODUCED

026350500

SENATE BILL NO. 526

Offered January 9, 2002

Prefiled January 9, 2002

A BILL to amend and reenact §§ 38.2-123 and 38.2-4601 of the Code of Virginia, and to amend the Code of Virginia by adding a section numbered 38.2-4605.1, relating to title insurance; definitions and requirement of title search.

Patron—Mims

Referred to Committee on Commerce and Labor

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 38.2-123 and 38.2-4601 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding a section numbered 38.2-4605.1, as follows:**

§ 38.2-123. Title.

"Title insurance" means insurance against loss by reason of liens and encumbrances upon property, defects in the title to property, and other matters affecting the title to property or the right to the use and enjoyment of property. "Title insurance" includes (i) insurance of the condition of the title to property and the status of any lien on property, and (ii) products known as "mortgage impairment", "lien protection" or products of like import that insure lenders against losses from undisclosed property liens, errors and omissions, and related loan origination and servicing requirements.

§ 38.2-4601. Definitions.

"Binder," "commitment" or "preliminary report" means a document or set of documents outlining the terms and conditions of an offer to issue a title insurance policy.

"Title insurance company" means any company licensed to transact, or transacting, title insurance.

"Title search" means a search of the records in the office of the Clerk of the Circuit Court in the county or city in which the real property is situated through such period of time as is acceptable to the title insurer. The search of the public records relating to matters of title performed in connection with the issuance of a binder, commitment or preliminary report shall be solely for the benefit of the title insurance company requested to issue its policy or policies of title insurance.

§ 38.2-4605.1. Title search required.

No binder, commitment or preliminary report, or policy or contract of title insurance, shall be issued until the title insurer or its agent issuing or proposing to issue the title insurance policy has performed or caused to be performed a title search.

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