

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1042

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section. 1. Section 20-1591, Arizona Revised Statutes, is amended  
3 to read:

4 20-1591. Forms of policies and other contracts of title  
5 insurance; approval or disapproval

6 A. Every title insurer shall file with the director all forms of  
7 title policies and other contracts of title insurance before issuance of  
8 any policy or contract. A title insurance rating organization may make  
9 filings on behalf of all of its members or subscribers. A title insurer  
10 shall not issue any policy or contract until thirty days after the policy  
11 or contract has been filed with the director. A policy or contract is  
12 approved thirty days after filing unless the director has issued, within  
13 the ~~thirty-day~~ THIRTY-DAY period, an order affirmatively approving or  
14 disapproving the form. On written notice given within the ~~thirty-day~~  
15 THIRTY-DAY period to the person making the filing, the director may extend  
16 the period for up to fifteen additional days to enable the director to  
17 complete the review of the filing.

18 B. Forms of title policies and other contracts of insurance, as used  
19 in this section, shall specifically exclude:

20 1. Reinsurance contracts or agreements. ~~;~~

21 2. All specific defects in title that may be ascertained from an  
22 examination of the risk and excepted in reports, binders or policies,  
23 together with any affirmative assurance of the title insurer with respect  
24 to the defects whether given by endorsement or otherwise. ~~;~~ ~~and~~

1           3. Further exceptions from coverage by reason of limitations on the  
2 examination of the risk imposed by an applicant for insurance or through  
3 failure of an applicant for insurance to provide the date requisite to a  
4 judgment of insurability.

5           C. AN AGREEMENT BY A PERSON TO INDEMNIFY OR HOLD HARMLESS A TITLE  
6 INSURER FROM RISKS ARISING FROM AN INSTRUMENT THAT IS OR BECOMES PROPERLY  
7 RECORDED AND INDEXED IN THE OFFICE OF THE COUNTY RECORDER IS ONLY  
8 ENFORCEABLE WITH RESPECT TO THAT INSTRUMENT IF THE AGREEMENT IS IN WRITING  
9 AND ANY OF THE FOLLOWING APPLIES:

10           1. THE INSTRUMENT WAS NOT OF RECORD AT THE TIME THE AGREEMENT WAS  
11 EXECUTED.

12           2. THE INSTRUMENT IS SPECIFICALLY DESCRIBED IN THE AGREEMENT.

13           3. THE INSTRUMENT IS SHOWN AS AN EXCEPTION FROM COVERAGE IN THE  
14 TITLE INSURANCE POLICY.

15           4. THE AGREEMENT INDEMNIFIES FOR OR HOLDS HARMLESS AGAINST LIENS  
16 ARISING FROM WORK OR LABOR DONE OR PROFESSIONAL SERVICES, MATERIALS,  
17 MACHINERY, FIXTURES OR TOOLS FURNISHED ON THE INSURED PROPERTY.

18           5. THE INSTRUMENT IS OR SECURES A MONETARY OBLIGATION OF THE PERSON,  
19 AND REMAINS AN OUTSTANDING AND ENFORCEABLE DEBT.

20           NOTHING IN THIS SUBSECTION SHALL AFFECT THE ENFORCEABILITY OF TITLE  
21 WARRANTIES PROVIDED BY A PERSON IN A DEED OR MORTGAGE.

22           Sec. 2. Legislative intent

23           The legislature intends that the amendments to section 20-1591,  
24 Arizona Revised Statutes, as amended by this act, are clarifying changes  
25 only and do not constitute substantive changes to existing law."

26 Amend title to conform

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