

**PROPOSED REGULATION OF THE
COMMISSIONER OF INSURANCE**

LCB File No. R121-06

June 15, 2006

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §§1 and 4-7, NRS 692A.090; §2, NRS 692A.1045; §3, NRS 692A.100.

A REGULATION relating to insurance; establishing certain standards for adequate supervision of a title agent or escrow officer; establishing certain requirements for licensure as a title agent; authorizing the retention of certain records in electronic form; prohibiting the payment of compensation to a mortgage broker or mortgage banker in connection with an escrow transaction under certain circumstances; prohibiting issuance of title insurance and disbursement of money from an escrow account under certain circumstances; and providing other matters properly relating thereto.

Section 1. Chapter 692A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this regulation.

Sec. 2. *For the purposes of NRS 692A.105 and 692A.107, a title insurer or title agent maintains adequate supervision of a title agent or an escrow officer he has appointed or employed if he:*

1. Designates a supervisor to assist the title agent or escrow officer. The supervisor must be:

- (a) Licensed as a title agent pursuant to this chapter and chapter 692A of NRS; and*
- (b) Present at the location where the title agent or escrow officer does business, or immediately available to the title agent or escrow officer, at least one-half of the time the location is open to the public.*

2. *Provides the title agent or escrow officer with instruction concerning the duties of a title agent or an escrow officer, including, without limitation, the provisions of this chapter and chapters 686A and 692A of NRS.*

3. *Maintains records that set forth the manner and frequency with which he provides supervision and instruction to the title agent or escrow officer.*

4. *Provides the title agent or escrow officer with written policies and procedures that set forth the duties of the title agent or escrow officer and the manner in which the duties must be performed. The policies and procedures must:*

(a) Include, without limitation, the provisions of sections 5 and 6 of this regulation; and

(b) Be provided to the Commissioner upon request.

5. *Prevents the title agent from issuing a policy of title of insurance and the title agent or escrow officer from disbursing money from an escrow account unless the title agent or escrow officer is certified to the Commissioner pursuant to NRS 692A.110 and NAC 692A.110.*

6. *Prevents the title agent or escrow officer from paying any compensation to a mortgage broker or mortgage banker in connection with an escrow transaction unless the title agent or escrow officer complies with section 6 of this regulation.*

Sec. 3. 1. *A person who wishes to obtain a license as a title agent must have at least 1 year of recent experience relating to title insurance of a nature sufficient to allow him to fulfill the responsibilities of a title agent.*

2. *An applicant for a license as a title agent must submit to the Commissioner proof of the experience required by this section in the form of a statement from each employer with whom the applicant claims to have obtained the experience. Each statement must be signed and attested to by the employer and include:*

- (a) The name and address of the employer;*
- (b) The name and title of the immediate supervisor of the applicant, if any;*
- (c) A description of the duties and responsibilities of the applicant during his employment and their relation to title insurance;*
- (d) The period during which the applicant fulfilled those duties and responsibilities; and*
- (e) The reason the applicant left the employment of his employer.*

Sec. 4. *A title insurer, title agent or escrow officer who is required to maintain records pursuant to this chapter or chapter 692A of NRS may maintain the records in any permanent form, including, without limitation, electronic form.*

Sec. 5. *A title insurer or title agent that appoints or employs a title agent or an escrow officer shall not allow the title agent to issue a policy of title insurance or the title agent or escrow officer to disburse money from an escrow account unless the title agent or escrow officer is certified to the Commissioner pursuant to NRS 692A.110 and NAC 692A.110.*

Sec. 6. *A title insurer, title agent or escrow officer shall not pay any compensation to a mortgage broker or mortgage banker in connection with an escrow transaction unless the title insurer, title agent or escrow officer first verifies that the mortgage broker or mortgage banker is licensed pursuant to NRS 645B.020 or 645E.200.*

Sec. 7. NAC 692A.010 is hereby amended to read as follows:

692A.010 As used in this chapter, unless the context otherwise requires:

1. The words and terms defined in NRS ~~692A.021~~ **692A.015** to 692A.080, inclusive, have the meanings ascribed to them in those sections.
2. “Bona fide resident” means a:
 - (a) Person who actually resides in this State with the intent that it be his domicile; or

(b) Firm or corporation which maintains its principal place of business in this State and whose articles of incorporation or partnership agreement authorize it to do business in this State.

3. “Commissioner” means the Commissioner of Insurance.
4. “Division” means the Division of Insurance of the Department of Business and Industry.
5. *“Mortgage banker” has the meaning ascribed to it in NRS 645E.100.*
6. *“Mortgage broker” has the meaning ascribed to it in NRS 645B.0127.*