

Chapter 748

Title Insurance Companies

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748.010 Capital and deposit requirements. Every corporation organized under the laws of this state, either solely or among other things, for the purpose of certifying to the ownership of titles to real property or of guaranteeing such titles, or of insuring the owners of real property against loss by reason of defective titles thereto, or incumbrances thereon, before engaging in such business, shall have a paid-up capital stock in amounts as follows:

(1) In counties having a population of 200,000 or more, as evidenced by the last official census of the United States or of this state, the capital stock shall be not less than \$100,000, of which it shall deposit with the State Treasurer \$50,000.

(2) In counties having a population of not less than 100,000 nor more than 200,000, as evidenced by said census, the capital stock shall be not less than \$60,000, of which it shall deposit with the State Treasurer \$30,000.

(3) In counties having a population of not less than 50,000 nor more than 100,000, as evidenced by said census, the capital stock shall be not less than \$40,000, of which it shall deposit with the State Treasurer \$20,000.

(4) In counties having a population of 50,000 or less, as evidenced by said census, the capital stock shall be not less than \$20,000, of which it shall deposit with the State Treasurer \$10,000.

748.020 Annual statement of fees received; filing fee. Every corporation shall, on or before March 1 of each year, furnish the State Insurance Commissioner a sworn statement showing the sum of 10 percent of all fees received by it, in the course of such of its business as is mentioned in ORS 748.010, during the year ending on December 31 prior thereto. This statement shall be verified by the president and secretary of such corporation and be under its corporate seal. With the filing of such statement, the corporation shall pay to the commissioner a filing fee of \$5. The commissioner shall file such statement in his office and shall certify the amount thereof to the State Treasurer.

748.030 Deposits for guaranty fund; effect of deficiencies in fund. (1) Within 30 days after the filing of the annual statement, the corporation shall deposit with the State Treasurer 10 percent of all fees re-

ceived by it and required to be reported as provided in ORS 748.020, until such accumulated fees, together with the amount deposited with the State Treasurer as provided in ORS 748.010, amounts to double the amount of the guaranty fund to be deposited with the State Treasurer by any corporation guaranteeing titles as provided in ORS 748.010.

(2) Such deposits shall be known as the guaranty fund of such corporation, and shall not be subject to other liabilities of the corporation to the extent of, and so long as there is, any outstanding liability on any such guaranty or insurance or certificate.

(3) When, on account of losses or otherwise, the amount of the guaranty fund of any such corporation falls below the amount required to be deposited by this section, no further guaranty or insurance or certificate shall be issued by such corporation until the deficiency below the amount so required has been supplied.

748.040 Securities authorized as deposits. The deposits required to be kept with the State Treasurer as a guaranty fund as provided in ORS 748.010 and 748.030, and those made in lieu of accumulated fees, shall consist of one or more of the following classes of securities:

(1) Interest-bearing obligations of the United States, or of those for the payment of the principal of and interest on which the faith of the United States is pledged.

(2) Bonds of any state in the United States.

(3) Bonds of any municipality in the United States having a population of more than 50,000, or bonds of any municipality, municipal corporation or civil subdivision in this state having a population of more than 2,000, the market value of which bonds, at all times while so deposited, shall be not less than 90 percent of par value.

(4) Bonds or notes secured by first mortgage upon real property within this state not otherwise incumbered, and having a value of at least twice the amount loaned thereon.

(5) Money of the United States that is legal tender for public and private debts.

(6) To the amount of the surrender values thereof, bonds or other obligations of the United States registered in the name of "Treasurer of the State of Oregon in trust for the holders of the obligations of the _____ (depositing company)

pursuant to ORS chapter 748 and Acts supplemental thereto."

(7) To the extent of 25 percent of such deposit and not in excess of \$5,000 in any one issuing institution, investment certificates or share accounts of savings and loan associations organized and existing under and by virtue of the laws of this state, or of the United States, and holding membership in the Federal Home Loan Bank System. The certificates and share accounts shall be free of offsetting debts and claims and shall be issued in the name of the State Treasurer in the form indicated in subsection (6) of this section.

(8) To the extent of 10 percent of such deposit and not in excess of \$5,000 in any one savings bank organized and existing under the laws of this state, a deposit account free of offsetting debts and claims, insured in full by the Federal Deposit Insurance Corporation and entered in the name of the State Treasurer in the form indicated in subsection (6) of this section.

(9) Notes or bonds secured by mortgage or deed of trust, payment of which is guaranteed by a policy of mortgage insurance, or of mortgage participation certificates, issued by a mortgage insurance company in accordance with ORS chapter 746.

748.050 Investments in realty in lieu of deposit; state as trustee; sale and substitution of property. (1) In lieu of the deposit required, any such corporation may make an investment in real estate within this state of the value of not less than \$50,000, if such investment is approved by the commissioner.

(2) The title to such real estate shall be vested in the State Treasurer as trustee for the corporation making such investment, and shall be held for the benefit and security of persons transacting title insurance business with such corporation in this state, for claims and demands arising out of said business.

(3) The corporation shall pay taxes upon such real estate in the county where it is situated, in the same manner and to the extent as any individual, and the real estate shall be held liable therefor.

(4) The rents or receipts from such investment in real estate shall be paid, as they accrue, to the corporation owning such investment.

(5) The State Treasurer shall receive the same fees for his services as trustee of real estate as he would receive if the corpo-

ration investing in such real estate had made a deposit in bonds under this chapter. All or any part of any real estate held by the State Treasurer under this section may be sold at the request of the corporation owning the investment therein, and the proceeds of the sale paid to the corporation, provided the corporation substitutes other real estate or other securities of the value prescribed in this chapter.

748.060 Substitution of deposited securities; state as trustee; interest payments on deposited securities. (1) The deposits made pursuant to this chapter shall be safely kept for the benefit and security of persons transacting title insurance business with the corporation, for claims and demands arising out of such business, and shall be held and considered especially pledged as security for such claims and demands.

(2) A corporation may change the character of its deposit at any time by depositing other securities of the kinds and descriptions authorized to be deposited by ORS 748.040. However, the deposit or change in deposit shall be subject to the approval of the commissioner.

(3) All interest accruing from the United States, or otherwise, on such securities shall be paid, as it accrues, to the corporation to which the securities belong.

(4) The State of Oregon shall be held responsible for the safety of all deposits made under the provisions of this chapter.

748.070 Withholding license, fine or injunction for failure to comply with law; reinstatement. (1) No license to any corporation to do any business mentioned in ORS 748.010 shall be issued or continued in force unless the requirements of this chapter have been complied with.

(2) Any corporation continuing to do such business while in default under this chapter shall be liable to a fine of \$100 for each day of such default. Such fine may be recovered by an action to be instituted by the Attorney General in the name of the state. The corporation may be enjoined from doing such business until payment of the fine is fully made and notice thereof given to the commissioner.

(3) Upon payment of such fine to the State Treasurer, giving of notice to the commissioner and on full compliance in all other respects with the laws of this state, such corporation may be permitted by the State

Insurance Commissioner to resume such of its business as was suspended.

748.080 Procedure on retirement from business. Any corporation which desires to retire from its title insurance business shall furnish to the commissioner satisfactory evidence that it no longer has an outstanding contract of liability made by it in the conduct of such business, whereupon the commissioner shall revoke its license to transact any further such business. Thereupon the State Treasurer shall return to such corpo-

ration all deposits made by it under the provisions of this chapter.

748.090 Corporations exempt from chapter. This chapter shall not make it necessary for any corporation making abstracts of title, or certifying to the correctness thereof, or furnishing information regarding titles to real estate, when such information does not take the form of or is, in substance, a certificate of ownership of the title, to make the deposit required by this chapter.

