

DEPARTMENT OF INSURANCE**Legal Division, Corporate Affairs Bureau**

45 Fremont Street, 24th Floor
San Francisco, CA 94105

**NOTICE**

Date: April 29, 2016

To: All Underwritten Title Companies and Other Interested Persons

Subject: Underwritten Title Company bond, adoption pursuant to Insurance Code section 12389 (b) effective July 1, 2016

The Department of Justice at the request of the California Department of Insurance has adopted section 50.24 to Title 11 of the Code of Regulations Article 19 promulgating a new underwritten title company surety bond effective upon filing with the California Secretary of State on April 25, 2016. This bond form is for effective use on or after July 1, 2016 in conformity with AB 704, Insurance Code section 12389 (b) effective July 1, 2016.

A copy of the Notice of Filing and Printing Only, Notice of Publication of Regulations Submission Form 400 and bond form are with this notice, posted on the Department of Insurance website. You can also access an electronic copy of the bond form by going to www.insurance.ca.gov. Click on "Insurers" in the middle of the page, then "Applications Forms and Filings", then "Corporate Applications," under the Underwritten Title Company section.

If you have any questions regarding these amendments or the filing fees please contact Jill Jacobi at (415) 538-4426 or at Jill.Jacobi@insurance.ca.gov.

**State of California
Office of Administrative Law**

In re:
Department of Justice

Regulatory Action:

Title 11, California Code of Regulations

Adopt sections: 50.24

Amend sections:

Repeal sections:

NOTICE OF FILING AND PRINTING ONLY

Government Code Section 11343.8

OAL Matter Number: 2016-0415-02

OAL Matter Type: File and Print Only (FP)

This file and print action makes changes to Title 11 of the California Code of Regulations, by adopting a Department of Insurance Bond Form, in Article 19, section 50.24. The bond form was submitted by the Department of Insurance to the Attorney General for approval pursuant to Government Code section 11110. The Attorney General approved the form.

OAL filed this regulation(s) or order(s) of repeal with the Secretary of State, and will publish the regulation(s) or order(s) of repeal in the California Code of Regulations.

Date: April 25, 2016



Kevin D. Hull
Senior Attorney

For: Debra M. Cornez
Director

Original: Kamala D. Harris

Copy: Karen W. Yiu

FILE PRINT

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER 2016-0415-02FP	EMERGENCY NUMBER
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ENDORSED - FILED
in the office of the Secretary of State
of the State of California

APR 25 2016

1:42 P.M.

For use by Office of Administrative Law (OAL) only	
<p>2016 APR 15 P 3:07</p> <p>OFFICE OF ADMINISTRATIVE LAW</p>	
NOTICE	REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY
Department of Justice, for the Department of Insurance

AGENCY FILE NUMBER (If any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Department of Insurance bond form	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT Article 19, section 50.24 Bond of Underwritten Title Company
	AMEND
	REPEAL

TITLE(S)
11, Div. 1, Chapter 2

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input checked="" type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input checked="" type="checkbox"/> Other (Specify) <u>Adoption of surety bond form</u>	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input checked="" type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> §100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify)
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6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify)		

7. CONTACT PERSON Karen W. Yiu	TELEPHONE NUMBER (510) 622-2131	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Karen Yiu</i>	DATE 4/13/16
TYPED NAME AND TITLE OF SIGNATORY Karen W. Yiu, Deputy Attorney General	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

APR 25 2016

Office of Administrative Law

State of California Department of Insurance
Bond of Underwritten Title Company
Form 50.24 (Rev 4/2016)
California Insurance Code section 12389

Corporate Affairs Bureaus I & II
45 Fremont Street 24th Floor
San Francisco, CA 94105
Information 415-538-4000
www.insurance.ca.gov

State of California
Department of Insurance
BOND OF UNDERWRITTEN TITLE COMPANY
(Insurance Code Section 12389)

Bond No. _____

Premium \$ _____

KNOW ALL BY THESE PRESENTS:

That _____, as Principal, whose
address for service of process is _____,
(Street Address, City, State and Zip Code)

and _____, a corporation, created, organized and
existing under and by virtue of the laws of the State of _____, which
is an admitted, surety insurer licensed to transact business in the State of California, as Surety,
whose address for service of process is

_____, are held and
(Street Address, City, State and Zip Code)

firmly bound unto the State of California, as Obligee, for the use thereof and for the use of any
person or persons who may have a cause of action against the Principal or under the provisions
of Chapter 1 (commencing with section 12340) of Part 6 of Division 2 of the California
Insurance Code and all acts amendatory thereof and supplementary thereto now and hereafter
enacted, in the total aggregate penal sum of _____ Dollars (\$_____),
(inserting \$50,000 or \$100,000 as required pursuant to California Insurance Code section 12389)
lawful money of the United States of America, to be paid to the State of California, or to any
person or persons, for their aforesaid use and benefit, for which payment well and truly to be
made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and
severally, firmly by these presents.

The condition of the above obligation is such that:

WHEREAS, The above-named Principal is licensed by or has made application to the Insurance Commissioner of the State of California for a license to engage in escrow business under and pursuant to the provisions of California Insurance Code Section 12389, and is required under the provisions of Insurance Code Section 12389 to furnish a bond in the sum above named, conditioned as herein set forth;

NOW, THEREFORE, The Principal, and any and all agents and employees representing the Principal, shall faithfully conform to and abide by the provisions of Chapter 1 (commencing with section 12340) of Part 6 of Division 2 of the California Insurance Code and all acts amendatory thereof and supplementary thereto now and hereafter enacted, and of all escrow rules and regulations lawfully made by the Insurance Commissioner of the State of California under this chapter and shall honestly and faithfully apply all funds received and perform all obligations and undertakings under Chapter 1 (commencing with section 12340) of Part 6 of Division 2 of the California Insurance Code concerning the conduct of escrow services, and shall pay to the State of California and to any person or persons, for the use and benefit aforesaid, any and all moneys which become due and owing to the State or to any such person or persons from the Principal under and by virtue of the escrow provisions of this chapter. The conservator, liquidator or receiver duly appointed by the court in any conservatorship receivership or liquidation proceeding may use the proceeds of the bond for any purpose, including funding the costs of conservatorship, receivership or liquidation.

This bond is subject to the following provisions:

1. That any person who sustains an injury covered by this bond may, in addition to any other remedy that he or she may have, bring an action in his or her own name upon this bond for the recovery of any damages sustained by him or her; provided, however, by executing this bond, Principal and Surety agree any action on this bond shall be instituted and prosecuted in the counties of the State of California, with service by U.S. mail as prescribed in the California Code of Civil Procedure sections 417.10 and 417.20 and this bond shall be governed by the laws of the State of California.

2. That the total aggregate liability of the Surety or Sureties herein shall not exceed the penal sum in any event.

This bond is executed by the Surety to comply with and the bond shall be subject to the provisions of Chapter 1 (commencing with section 12340) of Part 6 of Division 2 of the California Insurance Code and to the provisions of Chapter 2 (commencing with section 995.010) of Title 14 of Part 2 of the California Code of Civil Procedure.

This bond may be cancelled by the Surety in accordance with the provisions of Sections 996.320 and 996.330 of the California Code of Civil Procedure. However, the bond shall not be cancelled, withdrawn or not renewed by the Surety in whole or in part until 30 days after written notices are received by the Principal and Insurance Commissioner. For purposes of this bond, a Surety shall send notice to both the Department of Insurance and the Principal, 30 days prior to any cancellation of this bond.

That, in the event either the Principal and/or the Surety under this bond are served with notice of any action commenced against the Principal or the Surety under the bond, the Principal and Surety as each is served with notice of action shall respectively and immediately give written notice of the filing of such action to the Insurance Commissioner of the State of California, at the San Francisco office of the Department of Insurance; and

That, in the event the Surety under this bond receives a claim or makes full or partial payment on this bond the Surety shall immediately give written notice of such claim or full or partial payment to the Insurance Commissioner of the State of California, at the San Francisco office of the Department of Insurance.

This bond shall take effect on _____, 20__ but not prior to the date of its execution. If no date is hereinabove written, it shall take effect on the later of the two days of execution set forth below. This bond shall be deemed continuous in form and shall remain in full force and effect and shall run concurrently with the license period for which the license is granted and each and every succeeding renewal period or periods, or until the bond is canceled by the Surety.

IN WITNESS WHEREOF, the Principal hereto has caused its name to be signed and its seal to be affixed by its respective officers thereunto duly authorized at _____ this ___ day of _____, 20__, and the Surety hereto has caused its name to be signed and its seal to be affixed by its respective officers, or Attorney-in-Fact, thereunto duly authorized at _____, this ___ day of _____, 20__.

(SEAL)

Principal
By _____

Name

Title

(SEAL)

Surety
By _____

Name

Title

Note: Execution of Underwritten Title Company bond is governed by the instructions set forth in California Code of Regulations, title 11, section 50.10.