**As Introduced**

**136th General Assembly**
**Regular Session** **H. B. No. 230**
**2025-2026**

**Representative Thomas, D.**

To amend sections 3953.01, 3953.21, 3953.26, and 3953.331; to enact new section 3953.36; and to repeal section 3953.36 of the Revised Code to amend the law related to joint venture title insurance companies.

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 3953.01, 3953.21, 3953.26, and 3953.331 be amended and new section 3953.36 of the Revised Code be enacted to read as follows:

**Sec. 3953.01.** As used in this chapter:

(A) "Title insurance" means insuring, guaranteeing, or indemnifying owners of real property or others interested in real property against loss or damage suffered by reason of liens or encumbrances upon, defect in, or the unmarketability of the title to the real property, guaranteeing, warranting, or otherwise insuring by a title insurance company the correctness of searches relating to the title to real property, or doing any business in substance equivalent to any of the foregoing.

(B) "The business of title insurance" means the following:

(1) The making as insurer, guarantor, or surety, or proposing to make as insurer, guarantor, or surety, any contract

or policy of title insurance;

(2) The transacting, or proposing to transact, any phase of title insurance, including solicitation, negotiation preliminary to execution, execution of a contract of title insurance, insuring, and transacting matters subsequent to the execution of the contract and arising out of it, including reinsurance;

(3) The doing or proposing to do any business in substance equivalent to any of the foregoing.

(C) "Title insurance company" means any of the following:

(1) Any domestic title guaranty company and domestic title guarantee and trust company to the extent that they are engaged in the business of title insurance;

(2) Any domestic company organized under this chapter for the purpose of insuring titles to real property;

(3) Any title insurance company organized under the laws of another state or foreign government;

(4) Any domestic or foreign company that has the powers and is authorized to insure titles to real estate within this state on December 12, 1967, and that meets the requirements of this chapter.

(D) "Applicants for insurance" includes all those, whether or not a prospective insured, who from time to time apply to a title insurance company or to its agent for title insurance and who at the time of that application are not agents for a title insurance company.

(E) "Risk premium" for title insurance means that portion of the fee charged by a title insurance company, agent of a

title insurance company, or approved attorney of a title insurance company to an insured or an applicant for insurance for the assumption by the title insurance company of the risk created by the issuance of the title insurance policy.

(F) "Fee" for title insurance means the risk premium, abstracting or searching charge, examination charge, and every other charge, exclusive of settlement, closing, or escrow charges, whether denominated premium or otherwise, made by a title insurance company, agent of a title insurance company, or an approved attorney of a title insurance company to an insured or an applicant for insurance for any policy or contract for the issuance of title insurance. "Fee" does not include any charges paid to and retained by an attorney at law or abstractor acting as an independent contractor whether or not the attorney or abstractor is acting as an agent of a title insurance company or an approved attorney and does not include any charges made for special services not constituting title insurance, even though performed in connection with a title insurance policy or contract.

(G) "Approved attorney" means an attorney at law who is not an employee of a title insurance company or a title insurance agent and upon whose examination of title and report on the examination a title insurance company may issue a policy of title insurance.

(H) "Title insurance agent" means a person, partnership, or corporation authorized in writing by a title insurance company to solicit insurance and collect premiums and to issue or countersign policies on its behalf. "Title insurance agent" does not include officers and salaried employees of any title insurance company authorized to do a title insurance business

within this state.

(I) "Single insurance risk" means the insured amount of any policy or contract of title insurance issued by a title insurance company.

(J) "Foreign title insurance company" means a title insurance company organized under the laws of any state or territory of the United States or the District of Columbia.

(K) "Alien title insurance company" means a title insurance company that is incorporated or organized under the laws of any foreign nation or any province or territory of a foreign nation and that is not a foreign title insurance company.

(L) "Non-directed escrow funds" means any funds delivered to a title insurance agent or title insurance company with instructions to hold or disburse the funds pursuant to a transaction in which a title insurance policy will be issued, but without written instructions to either deposit the funds in an account for the benefit of a specific person or to pay the interest earned on the funds to a specific person.

(M) "Business day" means any day, other than a Saturday or Sunday, or a legal holiday, on which a bank, savings and loan association, credit union, or savings bank is open to the public for carrying on substantially all of its functions.

(N) "Housing accommodations" and "restrictive covenant" have the same meanings as in section 4112.01 of the Revised Code.

(O) "Joint venture" means ~~an arrangement undertaken jointly by two or more parties in regard to ownership of~~ a ~~business entity~~ a title insurance company or title insurance

agent that has one or more beneficial owners.

(P) "Beneficial owner" means a person or entity to which both of the following apply:

(1) The person or entity receives a financial benefit from a joint venture through direct ownership or ownership of a subsidiary, sister entity, or parent entity, regardless of whether such subsidiary, sister entity, or parent entity is, itself, a direct owner of the joint venture.

(2) The person or entity is one or more of the following:

(a) A real estate agent, as defined in section 4735.51 of the Revised Code, including a real estate broker or salesperson, as those terms are defined in section 4735.01 of the Revised Code;

(b) A home builder;

(c) A mortgage lender, including a financial institution as defined in section 9.02 of the Revised Code, credit union as defined in section 1733.01 of the Revised Code, and individuals associated with those entities;

(d) An attorney who is associated or in a business relationship with, and who has the ability to receive title insurance business from, or refer title insurance business to, any person or entity described in divisions (P)(2)(a), (b), or (c) of this section.

**Sec. 3953.21.** (A) Every title insurance company authorized to transact business within this state shall certify annually to the superintendent of insurance the names of all title insurance agents representing it in this state in accordance with section 3905.20 of the Revised Code.

(B) No title insurance company shall permit any of the following to act as the company's agent:

(1) A bank, trust company, bank and trust company, or other lending institution, mortgage service, brokerage, mortgage guaranty company, escrow company, or real estate company~~ or any subsidiaries thereof or any individuals so engaged shall be permitted to act as an agent for a title insurance company~~;

(2) A person acting individually in a capacity described in division (B)(1) of this section;

(3) An employee, representative, or agent of a person or entity described in division (B)(1) or (2) of this section;

(4) A person or entity related to a person or entity described in division (B)(1), (2), or (3) of this section by a common ownership structure, such as a holding, parent, sibling, or subsidiary company.

**Sec. 3953.26.** (A) No title insurance company and no title insurance agent shall pay or give, either directly or indirectly, any commission or any part of its fees or charges, or any other consideration or valuable thing, as an inducement for, or as compensation for, any title insurance business, to any of the following:

(1) Any applicant for insurance~~, or to any~~ ;

(2) Any person, firm, or corporation who is acting as agent, representative, attorney, or employee of the owner, lessee, mortgagee, or of the prospective owner, lessee, or mortgagee of the real property or any interest therein~~, either directly or indirectly, any commission or any part of its fees or charges, or any other consideration or valuable thing, as an inducement for, or as compensation for, any title insurance~~

~~business~~;

(3) Any family member of the applicant for insurance or of the current or prospective owner, lessee, or mortgagee of any interest in the real property.

(B) Nothing in this section shall preclude ~~the~~ either of the following:

(1) The payment by a title insurance company of a commission to any attorney, ~~if said~~ provided that attorney is also a licensed title insurance agent of such title insurance company~~, or the~~ and is not an employee of the current or prospective owner, lessee, mortgagee of the real property or any interest therein;

(2) The payment by ~~such~~ a title insurance company or its agent of a fee to an attorney for services rendered in the examination of title or certification thereof.

**Sec. 3953.331.** (A) For a title insurance agency ~~that is a joint venture~~, the annual review required under section 3953.33 of the Revised Code shall ~~demonstrate that~~ assess whether the agency is a joint venture and, if so, whether all ~~members~~ beneficial owners of the joint venture received revenue during the year in question from the title agency commensurate to their ownership interest in the title agency. The superintendent of insurance shall promulgate rules under Chapter 119. of the Revised Code setting forth the standards of the review required under this section and the form in which this information is to be provided.

(B) Title insurance agencies that are joint ventures shall maintain sufficient records of their affairs, including their escrow operations, escrow trust accounts, and operating accounts

so that the superintendent may adequately ensure that the title insurance agency that is a joint venture and all members of the joint venture are in compliance with the requirements of this section. Records kept pursuant to this section shall be kept for a period of not less than ten years following the transactions to which the records relate. The superintendent may prescribe the specific records and documents to be kept.

**Sec. 3953.36.** (A) No joint venture shall require in its initial articles of organization, articles of incorporation, operating agreement, or other incorporating documents, sooner than five years after the date the joint venture is formed, either of the following:

(1) Dissolution of the joint venture;

(2) Subject to divisions (B) and (C) of this section, buy-back or sale of any ownership interests in the joint venture or any subsidiary of the joint venture.

(B) No joint venture or subsidiary of a joint venture shall require in its articles of organization, articles of incorporation, operating agreement, or other operating or management documents the buy-back or sale of any beneficial owner's ownership interest in the joint venture or subsidiary due to volume of referrals, or lack thereof, of real estate or title insurance business from a beneficial owner.

(C) A joint venture or subsidiary of a joint venture may require a beneficial owner to sell the owner's ownership interests back to the joint venture, subsidiary, or to another party if any of the following apply:

(1) The beneficial owner is charged with, convicted of, or pleads guilty to a criminal act.

(2) The beneficial owner ceases to work in the real estate industry.

(3) The professional license that qualifies the owner as a beneficial owner for the purposes of this chapter is surrendered, suspended, or revoked.

(4) The beneficial owner files for bankruptcy.

(5) The beneficial owner commits, coerces to commit, or otherwise attempts to commit acts, by and through the joint venture, that do any of the following:

(a) Plausibly create legal liability for the joint venture or the joint venture's owners, agents, or employees;

(b) Jeopardize the licensure of the joint venture, including the individual licenses of the joint venture's owners, agents, notaries, or attorneys;

(c) Harm the reputation of the joint venture or the joint venture's agents or employees in the marketplace.

**Section 2.** That existing sections 3953.01, 3953.21, 3953.26, and 3953.331 and section 3953.36 of the Revised Code are hereby repealed.