

**As Introduced**

**136th General Assembly**

**Regular Session**

**2025-2026**

**H. B. No. 230**

**Representative Thomas, D.**

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To amend sections 3953.01, 3953.21, 3953.26, and 1  
3953.331; to enact new section 3953.36; and to 2  
repeal section 3953.36 of the Revised Code to 3  
amend the law related to joint venture title 4  
insurance companies. 5

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

**Section 1.** That sections 3953.01, 3953.21, 3953.26, and 6  
3953.331 be amended and new section 3953.36 of the Revised Code 7  
be enacted to read as follows: 8

**Sec. 3953.01.** As used in this chapter: 9

(A) "Title insurance" means insuring, guaranteeing, or 10  
indemnifying owners of real property or others interested in 11  
real property against loss or damage suffered by reason of liens 12  
or encumbrances upon, defect in, or the unmarketability of the 13  
title to the real property, guaranteeing, warranting, or 14  
otherwise insuring by a title insurance company the correctness 15  
of searches relating to the title to real property, or doing any 16  
business in substance equivalent to any of the foregoing. 17

(B) "The business of title insurance" means the following: 18

(1) The making as insurer, guarantor, or surety, or 19  
proposing to make as insurer, guarantor, or surety, any contract 20

or policy of title insurance; 21

(2) The transacting, or proposing to transact, any phase 22  
of title insurance, including solicitation, negotiation 23  
preliminary to execution, execution of a contract of title 24  
insurance, insuring, and transacting matters subsequent to the 25  
execution of the contract and arising out of it, including 26  
reinsurance; 27

(3) The doing or proposing to do any business in substance 28  
equivalent to any of the foregoing. 29

(C) "Title insurance company" means any of the following: 30

(1) Any domestic title guaranty company and domestic title 31  
guarantee and trust company to the extent that they are engaged 32  
in the business of title insurance; 33

(2) Any domestic company organized under this chapter for 34  
the purpose of insuring titles to real property; 35

(3) Any title insurance company organized under the laws 36  
of another state or foreign government; 37

(4) Any domestic or foreign company that has the powers 38  
and is authorized to insure titles to real estate within this 39  
state on December 12, 1967, and that meets the requirements of 40  
this chapter. 41

(D) "Applicants for insurance" includes all those, whether 42  
or not a prospective insured, who from time to time apply to a 43  
title insurance company or to its agent for title insurance and 44  
who at the time of that application are not agents for a title 45  
insurance company. 46

(E) "Risk premium" for title insurance means that portion 47  
of the fee charged by a title insurance company, agent of a 48

title insurance company, or approved attorney of a title 49  
insurance company to an insured or an applicant for insurance 50  
for the assumption by the title insurance company of the risk 51  
created by the issuance of the title insurance policy. 52

(F) "Fee" for title insurance means the risk premium, 53  
abstracting or searching charge, examination charge, and every 54  
other charge, exclusive of settlement, closing, or escrow 55  
charges, whether denominated premium or otherwise, made by a 56  
title insurance company, agent of a title insurance company, or 57  
an approved attorney of a title insurance company to an insured 58  
or an applicant for insurance for any policy or contract for the 59  
issuance of title insurance. "Fee" does not include any charges 60  
paid to and retained by an attorney at law or abstractor acting 61  
as an independent contractor whether or not the attorney or 62  
abstractor is acting as an agent of a title insurance company or 63  
an approved attorney and does not include any charges made for 64  
special services not constituting title insurance, even though 65  
performed in connection with a title insurance policy or 66  
contract. 67

(G) "Approved attorney" means an attorney at law who is 68  
not an employee of a title insurance company or a title 69  
insurance agent and upon whose examination of title and report 70  
on the examination a title insurance company may issue a policy 71  
of title insurance. 72

(H) "Title insurance agent" means a person, partnership, 73  
or corporation authorized in writing by a title insurance 74  
company to solicit insurance and collect premiums and to issue 75  
or countersign policies on its behalf. "Title insurance agent" 76  
does not include officers and salaried employees of any title 77  
insurance company authorized to do a title insurance business 78

within this state. 79

(I) "Single insurance risk" means the insured amount of 80  
any policy or contract of title insurance issued by a title 81  
insurance company. 82

(J) "Foreign title insurance company" means a title 83  
insurance company organized under the laws of any state or 84  
territory of the United States or the District of Columbia. 85

(K) "Alien title insurance company" means a title 86  
insurance company that is incorporated or organized under the 87  
laws of any foreign nation or any province or territory of a 88  
foreign nation and that is not a foreign title insurance 89  
company. 90

(L) "Non-directed escrow funds" means any funds delivered 91  
to a title insurance agent or title insurance company with 92  
instructions to hold or disburse the funds pursuant to a 93  
transaction in which a title insurance policy will be issued, 94  
but without written instructions to either deposit the funds in 95  
an account for the benefit of a specific person or to pay the 96  
interest earned on the funds to a specific person. 97

(M) "Business day" means any day, other than a Saturday or 98  
Sunday, or a legal holiday, on which a bank, savings and loan 99  
association, credit union, or savings bank is open to the public 100  
for carrying on substantially all of its functions. 101

(N) "Housing accommodations" and "restrictive covenant" 102  
have the same meanings as in section 4112.01 of the Revised 103  
Code. 104

(O) "Joint venture" means ~~an arrangement undertaken~~ 105  
~~jointly by two or more parties in regard to ownership of a~~ 106  
~~business entity~~ a title insurance company or title insurance 107

agent that has one or more beneficial owners. 108

(P) "Beneficial owner" means a person or entity to which 109  
both of the following apply: 110

(1) The person or entity receives a financial benefit from 111  
a joint venture through direct ownership or ownership of a 112  
subsidiary, sister entity, or parent entity, regardless of 113  
whether such subsidiary, sister entity, or parent entity is, 114  
itself, a direct owner of the joint venture. 115

(2) The person or entity is one or more of the following: 116

(a) A real estate agent, as defined in section 4735.51 of 117  
the Revised Code, including a real estate broker or salesperson, 118  
as those terms are defined in section 4735.01 of the Revised 119  
Code; 120

(b) A home builder; 121

(c) A mortgage lender, including a financial institution 122  
as defined in section 9.02 of the Revised Code, credit union as 123  
defined in section 1733.01 of the Revised Code, and individuals 124  
associated with those entities; 125

(d) An attorney who is associated or in a business 126  
relationship with, and who has the ability to receive title 127  
insurance business from, or refer title insurance business to, 128  
any person or entity described in divisions (P) (2) (a), (b), or 129  
(c) of this section. 130

**Sec. 3953.21.** (A) Every title insurance company authorized 131  
to transact business within this state shall certify annually to 132  
the superintendent of insurance the names of all title insurance 133  
agents representing it in this state in accordance with section 134  
3905.20 of the Revised Code. 135

(B) No title insurance company shall permit any of the 136  
following to act as the company's agent: 137

(1) A bank, trust company, bank and trust company, or 138  
other lending institution, mortgage service, brokerage, mortgage 139  
guaranty company, escrow company, or real estate company ~~or any~~ 140  
~~subsidiaries thereof or any individuals so engaged shall be~~ 141  
~~permitted to act as an agent for a title insurance company;~~ 142

(2) A person acting individually in a capacity described 143  
in division (B) (1) of this section; 144

(3) An employee, representative, or agent of a person or 145  
entity described in division (B) (1) or (2) of this section; 146

(4) A person or entity related to a person or entity 147  
described in division (B) (1), (2), or (3) of this section by a 148  
common ownership structure, such as a holding, parent, sibling, 149  
or subsidiary company. 150

**Sec. 3953.26.** (A) No title insurance company and no title 151  
insurance agent shall pay or give, either directly or 152  
indirectly, any commission or any part of its fees or charges, 153  
or any other consideration or valuable thing, as an inducement 154  
for, or as compensation for, any title insurance business, to 155  
any of the following: 156

(1) Any applicant for insurance, ~~or to any;~~ 157

(2) Any person, firm, or corporation who is acting as 158  
agent, representative, attorney, or employee of the owner, 159  
lessee, mortgagee, or of the prospective owner, lessee, or 160  
mortgagee of the real property or any interest therein, ~~either~~ 161  
~~directly or indirectly, any commission or any part of its fees~~ 162  
~~or charges, or any other consideration or valuable thing, as an~~ 163  
~~inducement for, or as compensation for, any title insurance~~ 164

~~business;~~ 165

(3) Any family member of the applicant for insurance or of 166  
the current or prospective owner, lessee, or mortgagee of any 167  
interest in the real property. 168

(B) Nothing in this section shall preclude ~~the~~ either of 169  
the following: 170

(1) The payment by a title insurance company of a 171  
commission to any attorney, ~~if said provided that~~ attorney is 172  
also a licensed title insurance agent of such title insurance 173  
company, ~~or the~~ and is not an employee of the current or 174  
prospective owner, lessee, mortgagee of the real property or any 175  
interest therein; 176

(2) The payment by such a title insurance company or its 177  
agent of a fee to an attorney for services rendered in the 178  
examination of title or certification thereof. 179

**Sec. 3953.331.** (A) For a title insurance agency ~~that is a~~ 180  
~~joint venture,~~ the annual review required under section 3953.33 181  
of the Revised Code shall ~~demonstrate that~~ assess whether the 182  
agency is a joint venture and, if so, whether all members 183  
beneficial owners of the joint venture received revenue during 184  
the year in question from the title agency commensurate to their 185  
ownership interest in the title agency. The superintendent of 186  
insurance shall promulgate rules under Chapter 119. of the 187  
Revised Code setting forth the standards of the review required 188  
under this section and the form in which this information is to 189  
be provided. 190

(B) Title insurance agencies that are joint ventures shall 191  
maintain sufficient records of their affairs, including their 192  
escrow operations, escrow trust accounts, and operating accounts 193

so that the superintendent may adequately ensure that the title 194  
insurance agency that is a joint venture and all members of the 195  
joint venture are in compliance with the requirements of this 196  
section. Records kept pursuant to this section shall be kept for 197  
a period of not less than ten years following the transactions 198  
to which the records relate. The superintendent may prescribe 199  
the specific records and documents to be kept. 200

Sec. 3953.36. (A) No joint venture shall require in its 201  
initial articles of organization, articles of incorporation, 202  
operating agreement, or other incorporating documents, sooner 203  
than five years after the date the joint venture is formed, 204  
either of the following: 205

(1) Dissolution of the joint venture; 206

(2) Subject to divisions (B) and (C) of this section, buy- 207  
back or sale of any ownership interests in the joint venture or 208  
any subsidiary of the joint venture. 209

(B) No joint venture or subsidiary of a joint venture 210  
shall require in its articles of organization, articles of 211  
incorporation, operating agreement, or other operating or 212  
management documents the buy-back or sale of any beneficial 213  
owner's ownership interest in the joint venture or subsidiary 214  
due to volume of referrals, or lack thereof, of real estate or 215  
title insurance business from a beneficial owner. 216

(C) A joint venture or subsidiary of a joint venture may 217  
require a beneficial owner to sell the owner's ownership 218  
interests back to the joint venture, subsidiary, or to another 219  
party if any of the following apply: 220

(1) The beneficial owner is charged with, convicted of, or 221  
pleads guilty to a criminal act. 222



<u>(2) The beneficial owner ceases to work in the real estate</u>	223
<u>industry.</u>	224
<u>(3) The professional license that qualifies the owner as a</u>	225
<u>beneficial owner for the purposes of this chapter is</u>	226
<u>surrendered, suspended, or revoked.</u>	227
<u>(4) The beneficial owner files for bankruptcy.</u>	228
<u>(5) The beneficial owner commits, coerces to commit, or</u>	229
<u>otherwise attempts to commit acts, by and through the joint</u>	230
<u>venture, that do any of the following:</u>	231
<u>(a) Plausibly create legal liability for the joint venture</u>	232
<u>or the joint venture's owners, agents, or employees;</u>	233
<u>(b) Jeopardize the licensure of the joint venture,</u>	234
<u>including the individual licenses of the joint venture's owners,</u>	235
<u>agents, notaries, or attorneys;</u>	236
<u>(c) Harm the reputation of the joint venture or the joint</u>	237
<u>venture's agents or employees in the marketplace.</u>	238
<b>Section 2.</b> That existing sections 3953.01, 3953.21,	239
3953.26, and 3953.331 and section 3953.36 of the Revised Code	240
are hereby repealed.	241