

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5219

STATE OF NEW JERSEY

DATED: DECEMBER 13, 2021

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 5219.

Current law provides that if the rates and charges for personal or controlled insurance from any one source so issued in a calendar year received by a title insurance company or by a title insurance agent exceed 25%, or from all sources exceed 50% of the total rates and charges received by the title insurance company or title insurance agent for title insurance issued in the same year, the excess is an unlawful rebate that is subject to penalty. The bill eliminates this provision of law.

The bill provides that any agreement by a consumer to use the services of a title or settlement service company is to be subject to the attorney review, if any, which is part of the contract for sale of real estate and may be revoked in the same manner as provided in the contract for the sale of real estate. The bill provides for certain penalty provisions for the violation of the above provision.

As amended and reported, this bill is identical to Senate Bill No. 3081 as also amended and reported by the committee.

COMMITTEE AMENDMENTS:

The committee amended the bill to provide that any agreement by a consumer to use the services of a title or settlement service company is to be subject to the attorney review, if any, which is part of the contract for sale of real estate and may be revoked in the same manner as provided in the contract for the sale of real estate. The amendments also stipulate certain penalty provisions for the violation of the above provision.