

DEPARTMENT OF FINANCIAL SERVICES

Division of Insurance Agents and Agency Services

RULE NO.:

RULE TITLE:

69B-210.010

Unlawful Inducements, Title Insurance

NOTICE OF ADDITIONAL PUBLIC HEARING

The Department of Financial Services hereby gives notice that an additional public hearing will be held to discuss proposed changes to the above referenced rule.

DATE AND TIME: November 15, 2010 @ 2:00 P.M.

PLACE: Room 116, Larson Building, 200 East Gaines Street, Tallahassee, Florida

This rule was originally published in the August 20, 2010 (Vol. 36, No. 35) issue of the Florida Administrative Weekly. A hearing on this rule was held on July 30, 2010. A draft copy of the proposed changes to this rule can be obtained from the Department's website @ http://www.MyFloridaCFO.com/Agents/Industry/Laws-Rules/docs/Notice_69B-210_Induce_Title.pdf.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 5 days before the workshop/meeting by contacting Lorna Noren at (850) 413-5634 or Lorna.Noren@MyFloridaCFO.com. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

69B-210.010 Unlawful Inducements, Title Insurance.

(1) The term “unlawful inducement” as used in this rule means an inducement or rebate prohibited by Section 626.9541(1)(h)1., F.S.; specifically:

(a) Permitting, or offering to make, or making, any contract or agreement as to such contract other than plainly expressed in the title insurance contract issued thereon;

or

(b) Paying, allowing, or giving, or offering to pay, allow, or give, directly or indirectly, as an inducement to such title insurance contract, any unlawful rebate of premiums payable on the title insurance contract, any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatsoever which is not specified in the title insurance contract.

(2) All lists contained within this rule are intended as examples and are not exhaustive. This rule does not prohibit inducements or rebates provided by filed or approved rates or rating manuals, advertising gifts of not more than \$25 as allowed by Section 626.9541(1)(m), F.S., or inducements and rebates otherwise expressly allowed by law.

(3) For purposes of this rule, the term “interested party” means a real estate professional, real estate salesperson, mortgage broker, lender, real estate developer, builder, property appraiser, surveyor, escrow agent, closing agent, or any other person or entity involved in a real estate transaction for which title insurance could be issued; or any representative of such a person or entity. The term does not include bona fide employees of a title agent or title agency.

(4) As they relate to the transaction of title insurance, the following inducements,

when not specified by the title insurance contract, are unlawful inducements and constitute unfair insurance trade practices under Sections 626.9521 and 626.9541, F.S.:

(a) Facilitating any discount, reduction, credit, or paying any fee or portion of the cost of an inspection, inspection report, appraisal, or survey, including wind inspection.

(b) Providing membership in any organization, society, association, guild, union, alliance or club at a discount, reduced rate, or at no cost.

(c) Making or offering to make a charitable or other tax-deductible contribution on behalf of the purchaser.

(d) Providing or offering stocks, bonds, securities, property, or any dividend or profit accruing or to accrue thereon.

(e) Providing or offering employment in exchange for the purchase of title insurance.

(f) Printing or paying for the printing of bulletins, flyers, post cards, labels, etc. for an interested party.

(g) Furnishing or paying for the furnishing of office equipment (fax machines, telephones, copy machines, etc.) to an interested party.

(h) Providing or paying for cellular telephone contracts for an interested party.

(i) Providing simulated panoramic home and property tours to real estate salespersons or real estate professionals which they in turn utilize in order to promote their listings.

(j) Providing or paying for giftcards or gift certificates to or for an interested party.

(k) Sponsoring and hosting, or paying for the sponsoring and hosting, of open houses for real estate salespersons or real estate professionals to promote their listings.

(l) Providing or paying for food, beverages, or room rentals at events designed to promote the business of an interested party other than the title agent or agency.

(m) Paying advertising costs to advertise and promote the listings of real estate salespersons or real estate professionals in periodicals or publications.

(n) Paying an interested party to fill out processing (order) forms in exchange for title insurance contracts.

(o) Providing "leads" or mailing lists to an interested party at no cost or a reduced cost.

(p) Entering into any arrangement to provide unearned compensation to an interested party.

Rulemaking Authority 624.308(1), 626.9611 FS. Law Implemented 626.112(8), 626.611(11), 626.621(6), 626.8411, 626.8437(8), 626.844(5), 626.9521, 626.9541(1)(h), (m), 626.9611 FS. History - New _____.