

NAIC Title Insurance Issues Working Group

Outline of Work Plan for 2009 / 2010

April 15, 2009 Editable Draft Version

- a. Develop a nationwide title statistical plan
 - i. Data from title insurers
 - 1. Develop a State Page and propose to Blanks (E) Committee
 - ii. Data from title agents and others involved in “the business of title insurance”
 - 1. Survey states to determine the extent to which current state laws and regulations allow for the collection of data from title agents, attorneys, abstracters and escrow officers
 - 2. Analyze survey results and consider whether or how to proceed with designing, collecting and auditing data from title agents et al
- b. Consider ways to improve the solvency regulation of title insurers
 - i. Coordinate with Financial Condition (E) Committee to determine the attributes of recent title company financial failures
 - ii. Coordinate with Financial Condition (E) Committee to identify property/casualty solvency requirements (e.g. Risk-Based Capital) and early warning tools (e.g. IRIS ratios) not currently applied to title insurers and consider whether they should be introduced
- c. Consider ways to mitigate the impact of insolvencies on policyholders
 - i. Consider whether to revive work on the 1992 draft of the Title Insurance Guaranty Fund Model Act
 - ii. Consider the merits of promoting the use of blanket lender’s policies and individual owner’s policies to replace policies issued by now-insolvent insurers

- d. Consider ways to improve the spread of market share among title insurers
 - i. Examine and evaluate the original purposes and current effectiveness of monoline title insurance laws
 - ii. Investigate other methods to reduce the market concentrations of national title conglomerates

- e. Promote fair, compliant and transparent real estate settlement practices by title agents and title insurers
 - i. Assist HUD with the identification and enforcement of RESPA violations
 - ii. Consider involvement in efforts to mitigate title agent defalcations
 - 1. Assess our authority over escrow and closing functions
 - 2. Consider the merits of Closing Protection Letters and other remedies
 - iii. Consider ways to enhance consumers' ability to comparison shop for title insurance without adversely impacting closing schedules

- f. Title Model Acts
 - i. Identify areas where the current Title Insurer and Title Agent Model Acts need updates or enhancements
 - ii. Draft a Title Insurance Regulatory Issues paper that could be converted, if desired, into a revised Title Model Act or a Best Practices document