

NAIC CONSUMER LIAISON
REPRESENTATIVE RECOMMENDATION
TO THE EXECUTIVE COMMITTEE

(Please send completed form to Lois Alexander for processing)

RECOMMENDED BY: Birny Birnbaum and Brenda Cude

DATE: August 16, 2014 (See 3/27/15 update below)

ISSUE: Strengthen title insurance consumer information, education and disclosures

COMMITTEE REFERRAL RECOMMENDATION:

(A)_____ (B) _____ (C) xx (D)_____ (E)_____ (F)_____ (G)_____

ACTION REQUESTED/CHARGE RECOMMENDED:

- Revise the title agent and title insurer model law to require one-page disclosure at time of referral to title insurer to alert consumer to key right to shop for and select the provider of title insurance and settlement services and to require disclosure of financial interest in referral by person making referral. See attached for example.
- Review and evaluate the use and effectiveness of states' consumer information, education and disclosures related to title insurance and settlement services. Report findings.
- Collaborate with the Consumer Financial Protection Bureau and other agencies with regulatory responsibilities for mortgage lending and settlement services when developing consumer information, education and disclosures for title insurance and settlement services.

NAIC ACTION:

RECOMMENDATION ACCEPTED: _____

RECOMMENDATION DECLINED: _____

Staff Support Feedback and Update

On Oct 22 the Property and Casualty Insurance (C) Committee adopted 2015 Title Insurance (C) Task Force charges that address this recommendation.

Those charges read:

- Determine the feasibility of developing effective consumer disclosures related to affiliated business arrangements and reverse competition for the purchase of title insurance and related settlement services, including, but not limited to, a one-page consumer disclosure at the beginning of the title ordering process to alert the consumer to key issues and opportunities.—*Important*
- Consult with the Consumer Financial Protection Bureau and other agencies responsible for information, education and disclosure for mortgage lending, closing and settlement services, as appropriate.—*Important*

3/27/15 UPDATE; The Title Task Force has 2015 charges that address this recommendation and that will be discussed in Phoenix although the majority of the work will take place after the meeting, likely on conference calls.