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From: Adair, Janette

Sent: Thursday, July 03, 2008 5:03 PM

To: Ramge, Bruce; Ewen, Dudley

Subject:

Dudley and Bruce,

I have reviewed the proposed Market Conduct Handbook amendments to the title insurance chapter. I have attached a copy of the draft title standards with my suggestions for your review.

In reviewing Chapter 18 as a whole, I have some reservations about changing the terminology from "title insurance agent" to "title insurance producer." In Nebraska, our title insurance statutes specifically define the term "producer of title insurance business." The definition basically encompasses lenders, mortgage brokers, real estate agents, etc. (See Neb. Rev. Stat. 44-19,108(10)). As currently published, Chapter 18 uses the term "settlement producer" in much the same manner that Nebraska uses "producer of title insurance business." I believe this may cause confusion if the title insurance agent is also referred to as a "producer" in the Handbook. If you decide to go forward with the change please note that a change would need to be made on Standards; Marketing and Sales; Standard 2, last paragraph where the term producer is used but not clarified as to whether that is a settlement producer or insurance producer. The Example Title Interrogatory uses both "settlement producer" and "licensed producer" which may be confusing. Section J also has a paragraph explaining the use of the term "agent" and "producer" in the title insurance context that would need to be changed. If the term "producer" will be used throughout Chapter 18, you may want to give some consideration to changing the term "company" to "insurer." These terms are both used in the chapter. I typically think of the terms agent and company being used together, and producer and insurer being used together.

I also noted that the "Producer Licensing" section is designated as N/A. In Nebraska the general insurance producer licensing provisions do apply to title insurance agents, but this may not be the case in other states.

In reviewing the Example Title Interrogatory I found it to be very comprehensive, but somewhat difficult to follow. In practice, I assume that the examiner would divide this into sections so it would be easier to follow. I do agree with the comment letter that it may be practical to develop a shorter initial inquiry before sending out comprehensive interrogatories. Examiners are probably already doing this.

I will be out of the office until July 11th so I will miss the Wednesday conference call, but if I can be of further assistance please let me know.

Sincerely,

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