

Title Insurance Advisory Council

11/08/2010
2:00 PM
Division of Insurance
1560 Broadway, Suite 110-D
Denver, CO 80202

Council members: Margaret Cook (Chair), Diane Evans (Vice-Chair), Bo Edwards, Eric Morgan, George Sutherland, Bob Howe, Gary Hostetter, Pat Rice, Tim Killcoyne, Kevin Chiarello, Chris Condie, Bill Brendemuhl, Rich Jones, Neil Gulley, Curt Fix

Minutes

Administrative Matters

Discussion:

The meeting was called to order at 2:05 PM.

Market Trends

Discussion:

Andy started the meeting talking about getting ready for the SB249 report. Although 3rd quarter numbers are not yet available, they should be available soon.

Andy also said that short sale practices are becoming a concern, especially that short sales are becoming a large part of the market. Title insurance companies are being pressured to provide different services for short sales, and the Division would like to examine whether a bulletin or regulation is appropriate to address what kinds of services are appropriate what are not. Bo asked if there are particular areas that need looking at, and Andy said some of the biggest areas of complaints involve the providing of services without charge. Other issues include whether negotiation is appropriate, and at what point facilitation becomes negotiation.

Recent data call plans in Washington

Discussion:

Diane Evans attended a meeting about Washington's data collection and rate filing efforts. She said she does not think the data call that WA is planning is not necessarily connected to the NAIC call in development, and that WA maintains that their statute from 2007/08 is where the data call comes from. Kevin said they have been involved in trying to work with WA, and they are continuing to try to address their concerns on how rate will be filed, charged and justified. Multiple land title associations, title entities, and ALTA are examining legislative and other options to address their concerns.

Required insurance fraud statement

Discussion:

Margaret brought up questions on the required statement on insurance fraud, especially where the DOI prefers the language to appear. Andy said that the DOI prefers the statement to be included on or with the policy, especially since commitments have been held in the past to not be a contract or application of insurance. Andy also said the statement is really meant to be not only for consumer information, but also for the protection of insurance companies.

Transfer fees

Discussion:

Chris updated the Council on issues concerning private transfer fees (PTFs). He said there are some developments and properties in Colorado that are starting to use PTFs. LTAC has agreed to take the lead on legislation for next year in dealing with PTFs.

Good Funds Laws/Tri-Party Agreements

Discussion:

George began the discussion on good funds law by saying LTAC had started to look at the issue of good funds laws, especially in striking out language that allows cashier's checks as good funds. While it would limit good funds to wires, it was noted that there has been an uptick in fraud pertaining to cashier's checks. George also said that if that strike in the statute occurred, the tri-party agreement may need to be struck. He said LTAC continues to examine the issue.