

BULLETIN B 00-08

To: All Title Insurance Companies and Title Insurance Limited Producers and Other Interested Parties

Re: Title Insurance Regulation

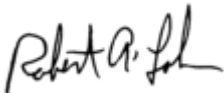
New regulations (3 AAC 27.301- 3 AAC 27.399) affecting the title insurance industry in Alaska became effective on April 15, 2000. These regulations were developed from a series of task force meetings in which both title insurers and title insurance limited producers participated.

Section 3 AAC 27.370 states: "A title insurance company or title insurance limited producer shall charge for any class of service delivered or provided in this state that relies in whole or in part upon documents contained in the title plant or public record. This charge must be commensurate with the cost of delivering or providing the class of service." A very limited exception to this requirement is allowed for a listing package given to a real estate agent or broker so that the real estate agent or broker may determine the owner of record and the correct property description for listing a property. 3 AAC 27.399(1) and (3). Any other distribution of a listing package, without an appropriate charge, is considered a rebate or inducement to obtaining title insurance business under AS 21.66.310.

It has been brought to the attention of the division that members of the title insurance industry may not be complying with the regulations with respect to listing packages and other individual documents and maps. After much discussion, the Title Insurance Task Force reached consensus that a listing package may consist of public records only. Public records are defined in 3 AAC 27.399(6). As referenced above, the types of public records that may be included in a listing package are limited to those records that are used by a real estate agent or broker to determine the owner of record and the correct property description for listing a property. No other information or documents may be included in a listing package. A copy of an individual document or map that is given away must be a public record that is allowed to be included in a listing package. The reference to an individual document or map in the "class of service" definition in 3 AAC 27.399(1) is not intended to expand the types of documents that may be provided without charge beyond documents that are in the public record. Any title insurance company or title insurance limited producer that includes a document other than a public record in a listing package is in violation of Alaska law.

A title insurer must file a rate for a listing package with the division under AS 21.66.370, if the insurer or a title insurance limited producer intends to provide a listing package to anyone other than a real estate agent or broker.

DATED: September 1, 2000



Robert A. Lohr
Director

