

AMERICAN  
LAND TITLE  
ASSOCIATION



# TITLE INSURANCE REGULATORY SURVEY: SUMMARY CHART OVERVIEW

PREPARED BY:  
American Land Title Association

### **About ALTA**

The American Land Title Association, founded in 1907, is the national trade association and voice of the abstract and title insurance industry. ALTA® members search, review and insure land titles to protect home buyers and mortgage lenders who invest in real estate. ALTA® is headquartered in Washington, DC.

### **About the Title Insurance Regulatory Survey**

The following chart reviews various state laws relating to the licensing and operating requirements of title insurers, title agents, abstracters, and escrow and closing agents in each of the fifty states and the District of Columbia. The information provided in this chart is intended to provide general summary information relating to state requirements in certain areas. It is not intended to provide detailed information about any of the subjects discussed, nor is it intended to provide legal advice to any party. In preparing the chart, the authors, including the American Land Title Association and the other named contributors are not engaged in rendering legal, accounting, or other professional services. Thus, this chart is not intended to substitute for advice of counsel. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

Although most of the items in this chart are self-explanatory, we nevertheless offer the following general explanations for some of the items discussed.

### **Organizational Requirements for Title Insurers**

For each state, we identified any restrictions on the types of entities that may operate as title insurers. Title Insurance Companies may be organized as stock corporations in virtually every state, and many states also allow title insurers to be organized as mutual insurers (Iowa, being the exception, which does not allow for the organization of title insurance companies at all). We generally did not discuss any specific requirements relating to the organization of title insurance companies.

### **Licensing Requirements**

We identified licensing requirements in every state for title insurers, agents, abstracters, and escrow and closing personnel. Some states, such as California, require entity or agency licensure, while other states require insurance agents or insurance producers to be licensed individually. There are states that require both licensures. Iowa serves as the exception as there are technically no title insurance agents in Iowa. A broad definition of license is used, indicating that the applicable persons or entities are required to obtain some form of prior approval.

In many states, insurance agents may be licensed to offer more than one line of an insurance product. An agent who offers both title and other insurance may therefore be subject to additional and/or different regulatory requirements. For that reason, we only provided information about the requirements that apply to agents solely licensed as title agents. Additionally, in the requirements applicable to other insurance classes (e.g., abstracters, escrow officers) only requirements unique to such individuals were provided.

Finally, many state licenses are perpetual, but licensees must take some periodic actions to keep the license in good standing. We treated the periodic action as a renewal, and we treated any periodic fees as renewal fees.

### **Capital and Surplus Requirements**

We indicated the amounts of capital and surplus generally required of title insurance companies. Special capital or surplus requirements or the manner or rules as to how capital or surplus are to be held are not indicated.

### **Rate Regulations**

We used a broad definition of rate regulation, and indicated that rates were regulated any time that a state places substantive restrictions on the rates that may be imposed or when a state required rates to be filed or registered. We did not treat statutes that prohibited certain practices, such as rate-splitting, to be rate regulations.

### Marketable Title Acts

We generally answered yes to his question, even if there was not a statute denominated labeled as a “Marketable Title Act.” We did not examine the scope of individual Marketable Title Acts.

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Since the original publication of the Summary Chart, state editors have assisted with the review and publication of Title Insurance Regulatory Surveys from which the information contained in this Summary Chart is drawn. Their contributions are fundamental in the publication of this document.