



CHIEF FINANCIAL OFFICER
JEFF ATWATER
STATE OF FLORIDA

February 5, 2016

Honorable Representative John Wood
303 House Office Building
402 South Monroe Street
Tallahassee, FL 32399-1300

RE: Rule 69B-186.010, Florida Administrative Code
Unlawful Inducements Related to Title Insurance Transactions

Honorable Chair Wood:

The Department of Financial Services' interpretation of subparagraph 626.9541(1)(h)3., Florida Statutes, and subsection 69B-186.010(4)(a), Florida Administrative Code, is that the advanced payment by a title insurance agent and/or agency for an estoppel certificate out of the funds of the agent or agency would be an inducement to title insurance and therefore a violation of the Florida Insurance Code.

We believe that this prohibition is already included within Rule 69B-186.010, F.A.C., which was recently promulgated and will go into effect on February 9, 2016. However, in an abundance of clarity to the Florida Legislature and the real estate industry, we anticipate beginning rulemaking proceedings to amend the rule to include the advanced payment by a title insurance agent and/or agency for an estoppel certificate out of the funds of the agent or agency as an unlawful inducement.

If you have questions, please do not hesitate to contact me.

Sincerely,

Greg Thomas

FLORIDA DEPARTMENT OF FINANCIAL SERVICES
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CHIEF FINANCIAL OFFICER
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STATE OF FLORIDA

February 11, 2016

Honorable Representative John Wood
303 House Office Building
402 South Monroe Street
Tallahassee, FL 32399-1300

RE: Rule 69B-186.010, Florida Administrative Code
Unlawful Inducements Related to Title Insurance Transactions

Honorable Chair Wood:

This is in follow up to my letter of February 5, 2016. The February 5th letter generated a significant amount of discussion which prompted the Department of Financial Services (Department) to further review this matter. After further analysis, the Department believes the information provided in the letter is correct; however, the information is incomplete. The beginning paragraph of the letter properly addressed inducements but should have continued to place them in the context of "Unlawful Rebates."

The Department believes that it is a violation of subparagraph 626.9541(1)(h)3., Florida Statutes, and subsection 69B-186.010(4)(a), Florida Administrative Code, for a title insurance agent and/or agency to pay for an estoppel certificate without being reimbursed for the expenditure. However, if a title insurance agent and/or agency pay for an estoppel certificate, and the title insurance agent or agency is reimbursed at closing for the estoppel certificate, such advance payment for the estoppel certificate does not constitute an "unlawful rebate." As previously indicated, we intend to begin the rule revision process to clarify this prohibition within Rule 69B-186.010, Florida Administrative Code.

If you have questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Thomas", with a long horizontal line extending to the right.

Greg Thomas

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