

**From:** Fullington, Bonnie [mailto:Bonnie.Fullington@illinois.gov]  
**Sent:** Monday, August 02, 2010 5:21 PM  
**Subject:** FW: To All Illinois Licensed Title Insurance Companies

Recently, the Title Insurance Section became aware of a registered title insurance agent that had filed for protection under the Bankruptcy laws of the United States, but no one bothered to notify the Title Insurance Section of the filing, despite the fact that at least two title insurance companies were listed on the Bankruptcy schedules as creditors. Even if all registrations were properly terminated prior to the Bankruptcy filing (and we are proceeding to ascertain whether that, in fact, happened) knowledge by a title insurance company that a former agent has filed for Bankruptcy protection triggers a reporting requirement since the title insurance company cannot possibly know for certain that such a filing does not place any policyholder in jeopardy.

Please refer to 50 Illinois Administrative Code, Section 8100.105:

**Section 8100.105 Notification of Noncompliance or Material Change**

“All holders of or applicants for any certificate of authority or registrations issued pursuant to the Act **shall** submit written notification to this Division within a maximum of 10 business days after becoming aware of any noncompliance with the provisions of the Act and any material change in condition that places or tends to place any policyholder in jeopardy.” (emphasis added)

The real estate economy is simply not improving and many title insurance agents and underwriters are under economic duress. A registered title insurance agent filing for protection under the Bankruptcy laws raises questions of the safety of escrow funds, recording of documents, issuance of policies, and a host of other issues. Title insurance companies are required by rule to report such events to DFI promptly and a failure to do so will result in an appropriate regulatory decision and accompanying action. Thank you for your anticipated prompt and professional cooperation.

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