



## **UNDERWRITING BULLETIN**

**To: To All WFG Indiana Policy-issuing Agents**

**From: Underwriting Department**

**Date: June 19, 2013**

**Bulletin No.: IN 2013-01**

**Re: IDOI Bulletin 199**

Recently the Indiana legislature passed SEA 370 now known as P.L. 80-2013. This new law and Bulletin 199 from the Indiana Department of Insurance requires underwriters to file a mandated CPL fee by June 24, 2013 that must be charged on all closings beginning July 1, 2013, and file all rates and forms for use on July 1, 2013, by July 1, 2013. WFG is currently preparing its filings as is every other authorized underwriter in Indiana. Upon submission to the state, all the filed fees, rates, and forms will be effective on July 1, 2013. We will advise our agents of the changes and adjust the rate calculators on our website.

We know this is a very sudden change that will definitely include the imposition of a CPL fee, and may increase closing costs on July 1, 2013.

We want to advise our agents of the forthcoming changes so you may advise your customers that there will be upcoming fee and premium changes. We will advise what they are as soon as they are filed.

(copy of Bulletin 199)

**NOTE: This Bulletin is intended for use by title issuing offices, title insurance agents and approved attorneys of WFG National Title Insurance Company and any reliance by any other person or entity is unauthorized. This bulletin is intended solely for the purpose of underwriting policies of WFG National Title Insurance Company.**

**DEADLINES FOR FILING TITLE INSURANCE RATES AND FORMS  
AND CLOSING PROTECTION LETTER FEES UNDER NEW INDIANA LAWS**

This Bulletin is directed to all companies issuing policies of title insurance, as defined at IC 27-7-3-2(a), in Indiana, and to all persons selling, soliciting, or negotiating title insurance in Indiana. The purpose of this Bulletin is to clarify the deadlines for filing different items under new Indiana law.

This year, Indiana's legislature passed a new law, SEA 370 (P.L. 80-2013), that requires title insurance policies and rates to be filed with the Indiana Department of Insurance. Additionally, the new law requires closing protection letters (CPLs) to be provided in certain situations, and documentation showing the amount of the fee for CPLs must be submitted to and approved by the Department. The new laws become effective on July 1, 2013; however, certain provisions of the law are only applicable to title insurance policies issued after June 30, 2014.

Currently, most property & casualty forms and rates must be filed in Indiana before they are used; however, the Department does not have to approve the forms or rates before use. This system is commonly referred to as "File and Use." Section 1 of SEA 370 becomes effective July 1, 2013, and incorporates title insurance into the current filing practice. Therefore, **as of July 1, 2013, no title insurance policy may be issued in Indiana unless it has been filed with the Department.**

Section 2 of SEA 370 applies to policies issued after June 30, 2014, and requires title insurance policy forms and rates to be filed at least thirty days before the proposed effective date of the filing. Furthermore, under Section 2, the Commissioner must approve the filing before it may be used ("File and Approve"). Thus, **policies intended for use as of July 1, 2014, or after must be filed with the Department on or before June 1, 2014.**

Section 4 of SEA 370 requires CPLs to be issued in a residential real estate transaction if (a) a title policy is issued by a title company or by a title insurance producer on behalf of the company, and (b) the company or title insurance producer also acts as the settlement or closing agent for the transaction. If the conditions are met, the CPL must be issued to the lender, borrower, buyer, and seller of the property. Furthermore, the new law requires that a fee be charged for the CPL.

Section 4 is effective July 1, 2013, and requires documentation showing the amount of the CPL fee to be submitted to and approved by the Department under IC 27-1-22-28, which is created by Section 2 of SEA 370. IC 27-1-22-28 requires approval before use, and filing 30 days before the intended use. Thirty days prior to July 1, 2013, has already passed; therefore CPL fees must be filed as soon as possible, and in any event on or before June 24, 2013. For any CPL fees filed between the date of this Bulletin and June 24, 2013, the Department will approve a fee if it is prima facie reasonable. However, the Department will then conduct a more thorough review and may withdraw such approval. If the Department withdraws approval of a CPL fee preliminarily approved as prima facie reasonable, the issuer

of the CPL must immediately switch to a new prima facie reasonable rate or cease closing transactions that require a CPL under the new law.

In summary, the new deadlines are as follows:

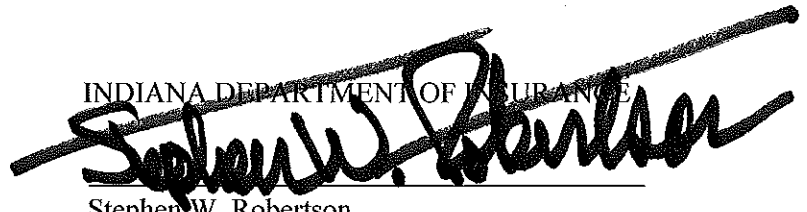
Item	June 1, 2013	July 1, 2013	June 1, 2014	July 1, 2014
Title Insurance Policy Form	n/a	File and use	Filing deadline for policies to be issued after June 30, 2014	File and approve
Title Insurance Policy Rates	n/a	File and use	Filing deadline for policies to be issued after June 30, 2014	File and approve
Closing Protection Letters	n/a	Must be provided in certain situations	Requirement continues	Requirement continues
Closing Protection Letter Fees	Statutory deadline for filing	Must be charged if a CPL is provided; File and approve	Requirement continues	Requirement continues

Filing instructions can be found on the Department's web site at <http://www.in.gov/idoi/2594.htm>.

The Department currently audits title insurance producers approximately every two years. The Department will begin auditing for compliance with these new laws immediately after July 1, 2014. Failure to comply with the new requirements could lead to regulatory action.

Questions regarding this Bulletin should be directed to Dan Oliver, Director of the Title Insurance Division, at (317) 234-5155 and [doliver1@idoi.IN.gov](mailto:doliver1@idoi.IN.gov), or Kate Kixmiller, Deputy Commissioner of Property & Casualty, at (317) 232-2395 and [kkixmiller@idoi.IN.gov](mailto:kkixmiller@idoi.IN.gov).

INDIANA DEPARTMENT OF INSURANCE



Stephen W. Robertson,  
Insurance Commissioner