

DEPARTMENT OF INSURANCE

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**NOTICE**

TO: Title Insurers, Underwritten Title Companies, Controlled Escrow Companies
and Other Interested Parties

DATE: November 21, 2008

SUBJECT: Title Insurance Marketing Representatives

Legislative Background

On September 25, 2008, Senate Bill 133 (Aanestad, Chapter 280, Statutes of 2008) was signed into law and will take effect on January 1, 2009. This new law amends Section 12404 and adds Section 12418 et. seq. to the California Insurance Code (CIC).

Section 12404 of the CIC was amended to specify those unlawful activities that are considered to be inducements to any person for the placement or referral of title insurance business. Section 12418 et. seq. of the CIC was added to establish a certificate of registration requirement for those individuals who market, offer, solicit, negotiate, or sell title insurance.

Specifically, Section 12418 et. seq. requires individuals who market, offer, solicit, negotiate or sell title insurance to hold a valid Certificate of Registration as a Title Marketing Representative issued by the California Insurance Commissioner. The Certificate shall be issued for a three-year period ending on the last day of the month in which the initial certificate was issued.

Certificate of Registration Application

To submit an application for a Certificate of Registration as a Title Marketing Representative, individuals must apply through the California Department of Insurance's (CDI) online application service, which is currently used by applicants for insurance agent and broker licenses. The online service will be available for Title Marketing Representative applicants by December 5, 2008.

Shortly after submitting their application, individuals will receive an email from CDI with confirmation of their credit card payment and any additional instructions. Applicants will also receive a second email from CDI that will include an identification number. Applicants must forward this email to their employer so that the employer may notify CDI that the applicant is authorized by the employer to act on their behalf as a Title Marketing Representative. After the employer has been notified, applicants may then operate as a Title Marketing Representative on a provisional basis.

Under a provisional basis, the applicant is entitled to market, offer, solicit, negotiate, or sell title insurance until the applicant receives the Certificate of Registration from CDI. However, if during this period CDI notifies the individual regarding a deficiency with the application, the applicant will then have 15 days to respond to the deficiency notice. If the applicant does not respond to CDI within 15 days, their authority to operate on a provisional basis will be terminated.

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Application Fee

A fee of \$200 is to be paid at the time the application is submitted to CDI through the online application service. The applicant may pay the license fees by using either a credit card (American Express, VISA, or MasterCard) or a debit card (VISA or MasterCard). There are no service charges or credit card convenience fees associated with this service.

Fingerprint Requirements

All applicants who submit a Title Marketing Registration application will also be required to submit fingerprint impressions. CDI must receive the results of the fingerprint impressions from both the State Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) before the Certificate of Registration can be issued.

Applicants will be required to complete a Live Scan Fingerprint Request (Form LIC 442-39A) and must provide the completed form to an authorized live scan fingerprint vendor located in California <http://ag.ca.gov/fingerprints/publications/contact.php>. The fee for obtaining fingerprints will be paid directly to the live scan fingerprint vendor. The fee includes DOJ's \$32 processing fee, FBI's \$19 processing fee and an additional "rolling fee" which varies depending on the vendor and is noted on DOJ's listing of authorized Live Scan Fingerprinting vendors.

Employing a Title Marketing Representative

Within five days of the application submission, an officer of the company employing the individual must submit a notice of employment to CDI for each of their Title Marketing Representative applicants. To provide this notice, the employer must register to use CDI's online Business Entity Service. The employer will be requested to provide the applicant's identification number and a statement certifying that the applicant either has completed or will complete within 60 days, the required Title Marketing Representative Training that has been provided by the employer. There is no charge for this service.

In the event that the employer terminates a Title Marketing Representative's employment, the employer must notify CDI within 30 days of the termination using the online business entity service. Employers hiring individuals that hold a valid Certificate of Registration as a Title Marketing Representative must also notify CDI within 30 days of the hire date using the online business entity service. In both instances the employer will be requested to provide the certificate of registration number to complete the transaction.

Renewal Fee

To renew a Certificate of Registration, a Title Marketing Representative must apply through CDI's online renewal service, which is currently used by insurance agent and brokers. A renewal fee of \$200 will be paid at the time the online renewal application is electronically submitted to CDI. CDI will email a renewal notice to individuals with a valid Certificate of Registration as a Title Marketing Representative approximately 60 days prior to the renewal date. The online renewal services will be available for Title Marketing Representatives in November 2010.

Should you have any questions, please send an e-mail to [Producer Licensing Bureau](#) or call the Producer Licensing Bureau at (800) 967-9331 or (916) 322-3555. Please be sure to include your name, telephone number, registration number and e-mail address in all correspondence with CDI.