

Title 20--DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS
AND PROFESSIONAL REGISTRATION
Division 500--Property and Casualty
Chapter 7—Title

EMERGENCY RULE

20 CSR 500-7.020 Scope and Definitions.

PURPOSE: This rule sets out the scope of the rules in this chapter and provides definitions to aid in the interpretation of the rules in this chapter.

EMERGENCY STATEMENT: This emergency rule sets the scope of chapter 7 – Title – and provides definitions to aid in the interpretation of other proposed chapter 7 rules. This emergency rule is necessary to preserve the public welfare of Missouri citizens by ensuring that title insurers, title agencies and title agents understand the requirements for title insurers, title agencies and title agents as outlined in Senate Bill 66, Laws 2007 and 20 CSR Division 500 Chapter 7 - Title. Between July 2007, and the present, the department has met with title agents, most of whom represented small businesses, to discuss how to best implement the new title business requirements in Senate Bill 66, Laws 2007. The relevant portions of Senate Bill 66 take effect on January 1, 2008, and the industry has expressed to the department that it requires further guidance on how it is expected to comply. As a result, the Missouri Department of Insurance, Financial Institutions and Professional Registration finds an immediate danger to the public welfare and a compelling governmental interest, which requires emergency action. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the Missouri and United States Constitutions. In developing this emergency rule, representatives of the insurance industry were consulted. The department believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed on January 16, 2008, effective January 28, 2008, and expires July 14, 2008.

(1) Applicability of Rules. The rules in this chapter apply to title insurers, title agencies and title agents transacting the business of insurance in this state under chapter 381, RSMo. The rules shall be read together with chapter 536, RSMo.

(2) Definitions. As used in this chapter, the following terms shall mean:

- (A) “Charge”, as defined in section 381.031.4, RSMo, 1994;
- (B) “Closing protection letter”, a letter issued on behalf of a title insurer, which indemnifies a buyer, lender, or seller solely against losses not to exceed the amount of settlement funds because of the acts set forth in section 381.058, RSMo;
- (C) “Closing protection fee”, the consideration paid by or on behalf of the buyer, borrower, lender or seller for a closing protection letter calculated from the rate filed with the director;
- (D) “Director”, the director of the department;

(E) “Department”, the department of insurance, financial institutions and professional registration;

(F) “Risk rate”, the total consideration paid by or on behalf of the insured for a title insurance policy. Risk rate shall include the title insurance agent’s commission but shall not include any charge as defined in section 381.031.4, RSMo, 1994;

(G) “Residential real estate transaction”, the sale, purchase, financing or refinancing of a house or other dwelling designed principally for the occupancy of from one to four families, but does not include transactions involving real estate designed for business, commercial or agricultural purposes;

(H) “Title insurance premium”, the premium in a title insurance transaction;

(I) “Title service charge”, any charge as defined in this rule, except for any closing protection fee or any fee for the handling of escrows, settlements or closing;

(J) “Premium”, as defined in section 381.031.14, RSMo, 1994, and reviewed under section 381.171, RSMo, 1994; and

(K) “Price estimate”, a good faith estimate or prediction of prices based upon information presented at the time of the estimate.

*AUTHORITY: Sections 374.045, 381.042, 381.118, RSMo (Supp. 2007). Emergency Rule Filed January 16., 2008, effective January 28, 2008 and expires July 14, 2008. A proposed rule covering this same material is published in this issue of the **Missouri Register**.*