

DEPARTMENT OF INSURANCE

June 7, 2013

Bulletin 199

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 and 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 30 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.

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INDIANA DEPARTMENT OF INSURANCE

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