

Draft date: 7/18/24

*2024 Summer National Meeting  
Chicago, Illinois*

**TITLE INSURANCE (C) TASK FORCE**

Wednesday, August 14, 2024

3:30 – 5:00 p.m.

Hyatt Regency McCormick Place—Regency Ballroom—Level 2

**ROLL CALL**

Eric Dunning, Chair	Nebraska	Joy Y. Hatchette	Maryland
Kevin Gaffney, Vice Chair	Vermont	Grace Arnold	Minnesota
Mark Fowler	Alabama	Scott Kipper	Nevada
Lori K. Wing-Heier	Alaska	Alice T. Kane	New Mexico
Barbara D. Richardson	Arizona	Mike Causey	North Carolina
Karima M. Woods	District of Columbia	Jon Godfread	North Dakota
Michael Yaworsky	Florida	Judith L. French	Ohio
Gordon I. Ito	Hawaii	Glen Mulready	Oklahoma
Dean Cameron	Idaho	Michael Humphreys	Pennsylvania
Amy L. Beard	Indiana	Elizabeth Kelleher Dwyer	Rhode Island
Doug Ommen	Iowa	Michael Wise	South Carolina
Vicki Schmidt	Kansas	Larry D. Deiter	South Dakota
Timothy J. Temple	Louisiana	Scott A. White	Virginia

NAIC Support Staff: Anne Obersteadt/Aaron Brandenburg

**AGENDA**

1. Consider Adoption of its Spring National Meeting Minutes  
—*Director Eric Dunning (NE)*

6. Discuss Any Other Matters Brought Before the Task Force  
—*Director Eric Dunning (NE)*
7. Adjournment

## TITLE INSURANCE (C) TASK FORCE

Title insurance (C) Task Force, March 17, 2024, Minutes

## Draft Pending Adoption

Draft: 3/19/24

Title Insurance (C) Task Force  
Phoenix,

1. Adopted its 2023 Fall National Meeting and Summer National Meeting Minutes

Commissioner Gaffney made a motion, seconded by McKenney, to adopt the Task Force's Dec. 2, 2023, minutes (see *NAIC Proceedings – Fall 2023, Title Insurance (C) Task Force* and Aug. 14, 2023, minutes (see *NAIC Proceedings – Summer 2023, Title Insurance (C) Task Force*). The motion passed unanimously.

2. Received an Update on the Administration of the *Survey of State Insurance Laws Regarding Title Data and Title Matters*

Director Dunning stated the *Survey of State Insurance Laws Regarding Title Data and Title Matters* is being administered using Microsoft Forms. An email was first sent to the NAIC General Counsel distribution list Nov. 27, 2023, asking for assistance in coordinating the completion and final submission of the survey. This email was also forwarded to those on the member and interested state insurance regulator Task Force distribution list. Survey responses were due Feb. 1. Several follow-up reminder emails have been sent. However, as of March 14, 2024, 11 states and three territories still need to file. After all filings are submitted, NAIC staff can begin compiling the results for the new publication.

3. Heard a Presentation on October Research's 2024 State of the Title Industry Special Report

Erica Meyer (October Research) stated that October Research is dedicated to educating and empowering professionals in real estate transactions to strengthen their businesses and enhance their positions in the marketplace, ensuring the integrity of home ownership. It is the nation's leading independent provider of market intelligence, industry news, expert opinion, and regulatory information for real estate, title, financial, and settlement services professionals. October Research educates professionals through its five business

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initiatives will be needed to make headway. Inflation is impacting the costs of products designed to protect consumers, especially for cyber and closing costs. There is increased adoption of remote online notarization (RON) by both lending and title communities, but the need for state legislation has slowed the ability to adopt it. Cybersecurity remains a focal point

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regulation, October Research maintains reference resource centers that allow readers to track state-by-state changes to things such as RON laws.

Meyer stated October Research would love to work with state insurance regulators on editorial content for the industry. It allows contributors to read the content before it is published. It is also happy to house any reference materials for the industry on its website and feature state insurance regulators on its podcast or webinars. It is hosting a National Settlement Services (NS3) Conference May 21–23. The NS3 includes a regulator panel in which 10 states have participated over the years. Participants include state insurance regulators, attorney generals, consumer protection divisions, the Federal Trade Commission (FTC), the Secret Service, Fannie Mae, and the CFPB.

Myers stated that October Research's publications gave him the needed title education while at the Virginia Bureau of Insurance. The Louisiana Department of Insurance (DOI), where he currently serves, receives these publications digitally. Myers said October Research has high integrity and will keep anything a state insurance regulator discusses confidential, if needed, and represents regulators well in its publications. He said that he participates on the NS3 regulator panel and finds it provides a way for the industry to see its regulators as accessible. Myers said the panel also provides a good way for state insurance regulators to see what is happening with their agents and underwriters. He encouraged other state insurance regulators to participate in or attend the NS3 Conference.

4. Heard a Presentation on the Recent Proposed Rule from the Treasury Department's FinCEN on Money Laundering and Residential Real Estate

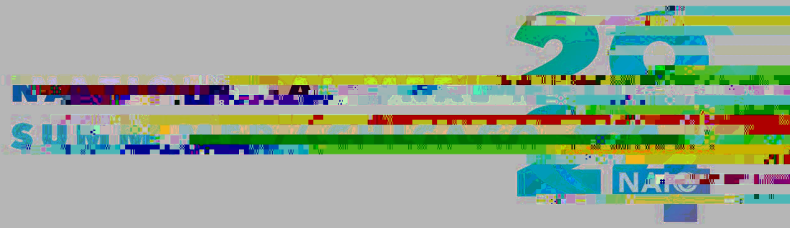
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used in non-financed residential real estate purchases. GTOs cover 69 counties and have proved highly valuable to FinCEN, with 40% of GTO reports correlating to bank Suspicious Activity Reports (SAR).

The FinCEN proposed rule covers all cash purchases of residential real estate where the buyer is a legal entity or trust. About 30% of real estate purchases are all cash; of those, about 15% are suspicious. The proposed rule would require the reporting of basic transaction information (closing date, purchase prices, parties' names, etc.), beneficial ownership information (focused on the buyer), and payment information. The proposed rule allows reporting persons to collect information from the transferee if they get a written certification. Generally, the settlement agent is required to report 30 days after closing, with guidelines if there is no settlement agent. Agent applies to attorneys the same as non-attorneys. The proposed rule includes sales anywhere in the U.S. (50 states), DC, Puerto Rico, overseas territories, and American Indian lands. The value of the data collected nationwide is not likely to be as effective as the data collected more narrowly under the GTOs. Additionally, there is a five-year recordkeeping requirement. This means the proposed rule would bring much more expense to the title industry for potentially much less effective data.

Title insurers use an owner's policy and a loan policy for residential and commercial real estate transactions. They do not need to know if it is residential or commercial for their underwriting. This means the title industry will need to change its processes to gain the information needed to report under the proposed rule.

FinCEN estimates the costs in the first year to be \$267.3–\$476.2 million, with 75 minutes for initial training per staff person. Each subsequent year is estimated to cost \$245–\$453.9 million. This equates to the reporting of each transaction costing the industry \$500. The estimates do not account for the costs of technological changes and educating the real estate ecosystem on the proposed rule. Questions for state insurance regulators to consider include: 1)



Presenter slides are confidential and have been omitted from the materials.