



CHIEF FINANCIAL OFFICER
JEFF ATWATER
STATE OF FLORIDA

February 11, 2016

Honorable Representative John Wood
303 House Office Building
402 South Monroe Street
Tallahassee, FL 32399-1300

RE: Rule 69B-186.010, Florida Administrative Code
Unlawful Inducements Related to Title Insurance Transactions

Honorable Chair Wood:

This is in follow up to my letter of February 5, 2016. The February 5th letter generated a significant amount of discussion which prompted the Department of Financial Services (Department) to further review this matter. After further analysis, the Department believes the information provided in the letter is correct; however, the information is incomplete. The beginning paragraph of the letter properly addressed inducements but should have continued to place them in the context of "Unlawful Rebates."

The Department believes that it is a violation of subparagraph 626.9541(1)(h)3., Florida Statutes, and subsection 69B-186.010(4)(a), Florida Administrative Code, for a title insurance agent and/or agency to pay for an estoppel certificate without being reimbursed for the expenditure. However, if a title insurance agent and/or agency pay for an estoppel certificate, and the title insurance agent or agency is reimbursed at closing for the estoppel certificate, such advance payment for the estoppel certificate does not constitute an "unlawful rebate." As previously indicated, we intend to begin the rule revision process to clarify this prohibition within Rule 69B-186.010, Florida Administrative Code.

If you have questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg Thomas".

Greg Thomas

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