

1600 Title Companies

1601 Limited Licenses for Title Insurance [Formerly Regulation 18]

1.0 Purpose

- 1.1 The purpose of this Regulation is to establish a limited license for those who wish to transact (title) insurance. At the present time many lawyers in this State transact title insurance which is in apparent conflict with 18 **Del.C.** §1720(a)(3) which requires that any person must derive, on an annual basis, not less than 50% of his entire income from personal services in order to hold an insurance license in this State. The exception to this is those holding, among other things, a limited agent's license.
- 1.2 The Commissioner has taken note that many practicing lawyers in this State offer their clients title insurance as an additional service. The revenue from this service does not, of course, constitute 50% of their income. Such service seems to be useful and in the public interest.

2.0 Implementation of Rules

- 2.1 Pursuant to the authority granted the Commissioner in 18 **Del.C.** §1720(a) he may issue a limited representative a Certificate of Authority which he deems, by Regulation, essential for the transaction of insurance business in this State. The following procedure, as applicable, must be followed to obtain such a license:
 - 2.1.1 Request a license on Department Form 2A.
 - 2.1.2 Each insurer must request an appointment for the applicant as a limited representative on Form 1A, accompanied by a \$5.00 fee.
 - 2.1.3 Lawyer applicants requesting waiver of examination must attach to the above request for license, evidence of admission to the Delaware Bar.
 - 2.1.4 All others must apply for examination on Form 08 furnished by this Department.

As for licenses currently issued to lawyers throughout the State, they must be returned to this Department along with the Certificate of Authority to be amended to reflect the status of limited agent. No fee will be charged for this amendment. Said licenses must be returned by March 1, 1976.

3.0 Enforcement

- 3.1 This Regulation will be enforced pursuant to the provisions of 18 **Del.C.** §§1732 and 1733.

4.0 Compliance Date

- 4.1 This Regulation shall become effective January 30, 1976.