

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE

Property and Casualty Insurance (C) Committee March 25, 2026, Minutes

Property and Casualty Insurance (C) Committee 2026 Revised Charges (Attachment One)

Cannabis Insurance (C) Working Group March 25, 2026, Minutes (Attachment Two)

Title Insurance Shopping Tool Template (Attachment Three)

Draft Pending Adoption

Draft: 4/6/26

Property and Casualty Insurance (C) Committee
San Diego, California
March 25, 2026

The Property and Casualty Insurance (C) Committee met in San Diego, CA, March 25, 2026. The following Task Force members participated: Michael Conway, Chair, and Kate Harris (CO); Glen Mulready, Vice Chair (OK); Mark Fowler (AL); Peter M. Fuimaono (AS); Joshua Hershman (CT); Michael Yaworsky and Jane Nelson (FL); Scott Saiki (HI); Timothy J. Temple represented by Chuck Myers (LA); Remedio C. Mafnas (MP); James E. Brown (MT); Jon Godfread (ND); D.J. Bettencourt and Christian Citarella (NH); Larry D. Deiter (SD); Tregenza A. Roach (VI); and Patty Kuderer (WA). Also participating were: Connie Van Slyke (NE); and Tom Botsko (OH).

1. Adopted its 2025 Fall National Meeting Minutes

Commissioner Conway said the Committee met March 13 in regulator-to-regulator session, pursuant to paragraph 8 (consideration of strategic planning issues) of the NAIC Policy Statement on Open Meetings, to discuss priority items for the year.

Commissioner Mulready made a motion, seconded by Director Deiter, to adopt the Task Force's Dec. 9, 2025, minutes (*see NAIC Proceedings – Fall 2025, Property and Casualty Insurance (C) Committee*). The motion passed unanimously.

2. Adopted its Revised 2026 Charges

Commissioner Conway noted that the Committee's revised 2026 charges were distributed on Feb. 23, showing that charges formerly under the Catastrophe Insurance (C) Working Group and the NAIC/Federal Emergency Management Agency (FEMA) (C) Working Group will be eliminated. Two new charges are being added: 1) the Casualty Actuarial and Statistical (C) Task Force will consider drafting a white paper related to rate making; and 2) a new Homeowner's Market Report (C) Working Group will draft a public report related to the homeowners market data call. Commissioner Marie Grant (MD) will serve as the Working Group's chair, and Director Angela L. Nelson (MO) will serve as vice chair.

Commissioner Yaworsky made a motion, seconded by Commissioner Bettencourt, to adopt the Committee's revised 2026 charges (Attachment One). The motion passed unanimously.

3. Adopted the Reports of its Task Forces and Working Groups

Commissioner Conway said the homeowners market data call was sent to insurers March 25 on behalf of 50 jurisdictions. He said the data is due from insurers June 15. He also noted that the underlying data will not be made public, but a public report will be drafted and exposed for comment.

Commissioner Yaworsky made a motion, seconded by Commissioner Mulready, to adopt the following task force and working group reports: 1) Casualty Actuarial and Statistical (C) Task Force; 2) Homeowners Market Data Call (C) Task Force; 3) Surplus Lines (C) Task Force; 4) Cannabis Insurance (C) Working Group (Attachment Two) 5) Terrorism Insurance Implementation (C) Working Group; 6) Title Insurance (C) Working Group 7) Transparency and Readability of Consumer Information (C) Working Group and 8) Workers' Compensation (C) Working Group. The motion passed unanimously.

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4. Adopted the Title Insurance Shopping Tool Template

Myers said the title insurance shopping tool template educates consumers about title insurance, assists with shopping tips, explains closing services, and can be customized by each state. The tool, last revised in 2021, required updates to incorporate new products, market developments, and changes in how consumers access and use information.

Van Slyke said the drafting group began revising the shopping tool in May 2025, initially focusing on content updates. The revisions included: 1) clarifying attorney opinion letters so consumers understand their purpose and differences from traditional title insurance; 2) updating the fraud section for emerging artificial intelligence (AI) schemes, title protection options, and mortgage monitoring services; 3) expanding the affiliated business arrangements section to include kickback settlements and consumer rights under the Real Estate Settlement Procedures Act (RESPA), noting different state coverage requirements in the closing protection section and; 4) replacing details on home buying and homeowners insurance with the link to the NAIC's *A Consumer's Guide to Home Insurance*.

Van Slyke said the drafting group then made extensive revisions to improve readability, scanning, and usefulness, including: 1) using plain language; 2) consolidating and reorganizing sections; 3) restructuring the tool into two columns and creating a toolkit with a fillable cost comparison chart and resources page; and 4) adding graphic elements, pullouts, a glossary, and a chart showing the steps in the closing process. The chart was updated after adoption by the NAIC's internal editors to present the steps from a consumer perspective rather than the closing agent's perspective.

Commissioner Mulready made a motion, seconded by Commissioner Kuderer, to adopt the Title Insurance Shopping Tool Template (Attachment Three). The motion passed unanimously.

5. Received an Update on the Affordability and Availability Playbook

Harris reported that the working draft *Affordability and Availability Playbook* is complete. It serves as a tool for states dealing with insurance challenges. It is divided into four parts: 1) consumer impacts, macro trends, and factors to drive affordability; 2) cross parallels and peril-specific state actions; 3) emerging threats, such as atmospheric rivers; and 4) strategies and practical advice for implementation. Together, these sections provide a framework for understanding how current market pressures have developed and how state insurance regulators can respond.

The drafting group exposed the document to Committee members, regulators, and interested parties on March 22 for a comment period ending April 10. The drafting group plans to meet April 21 to discuss comment letter revision suggestions and how to implement them into the playbook. The drafting group anticipates providing a draft for final exposure to the Committee in late June, ahead of the Summer National Meeting.

Paul Martin (National Association of Mutual Insurance Companies—NAMIC) asked if interested parties could have additional time to comment on the recently exposed playbook. Commissioner Conway said the Committee would take this request under consideration.

6. Discussed Issues Related to Liability Insurance for Nonprofits

Commissioner Kuderer said many states have seen a scarcity of liability insurance for childcare providers. She said that from 2020 to 2024, losses were eight times higher than premiums. She said this is largely driven by sexual assault claims that occurred years ago. Insurers can cover future losses but not past. She said this is a national

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issue that needs a collective solution. She would like to chair a Working Group with Commissioner Bettencourt as vice chair.

Commissioner Bettencourt said that nonprofits in New Hampshire in the behavioral health space are experiencing the same issues. He said they have been working on these availability and affordability problems for four years. He said he would like to explore solutions that might go beyond reform or litigation. Director Gillespie said Illinois has conducted a survey, and insurance companies say reinsurance availability and costs are driving the issue. Commissioner McVey said West Virginia has had a pool for state risks. He said a national pool for nonprofits should be considered. Commissioner Humphreys said Pennsylvania has surveyed providers and seen similar issues in camps and nursing homes. Director Dwyer said Rhode Island issued a survey and sees this as a national issue. She said Rhode Island has had legislation related to establishing a joint underwriting association and expanding the statute of limitations. Director Cameron said the U.S. Department of Health and Human Services (HHS) is interested in the issue. Commissioner Saiki also said he would participate in the working group. Superintendent Kane said New Mexico has universal childcare and would like to expand research related to this.

Brenda J. Cude (NAIC Consumer Representative) asked whether the work would expand to family day care providers. Commissioner Kuderer said she has not seen the same issues in in-home day care since it is covered under a homeowners policy.

Dave Snyder (American Property Casualty Insurance Association—APCIA) said the industry will work to help understand the underlying risks and how these can be reduced.

Erica Eversman (Automotive Education & Policy Institute—AEPI) urged regulators to be mindful of tort reform, in that it can be good or bad to take such reform measures.

Commissioner Conway said that due to the importance of the issue, charges for a new working group would be drafted and exposed after the national meeting.

7. Heard a Presentation on Auto Insurance

Nelson said that the state of Florida recently had several cost drivers, such as its one-way attorney fee structure, fraud, and auto glass claim abuse, that led to one of the most expensive auto markets in the country. She said reforms taken in 2023 have started to lead to improved auto rate changes.

Nelson said property reforms in 2022 limited certain attorney-fee multipliers in lawsuits; clarified requirements for pre-suit notice of intent to litigate; allowed insurers to recover fees if lawsuits were dismissed for failing to follow required procedures; and eliminated one-way attorney fees for property insurance suits. Reforms in 2023 modified the bad faith framework; cut the window to file a negligence lawsuit in half; eliminated one-way attorney fees; and set a 90-day window for insurers to settle a claim for the policy limits once they receive sufficient evidence of the loss.

Nelson explained that Florida also enacted consumer protections that provided additional oversight to the Florida Office of Insurance Regulation, which has increased insurer transparency in the adjusting process, provided for stricter penalties for insurer misconduct, and improved insurers' responsiveness to claimants.

Nelson noted that frivolous litigation expenses in the property market are down 40% year over year (YOY); 17 new property insurers have entered the market; and reforms have led to a strengthened reinsurance market. She said that in 2025, the top five writers in the auto insurance market have requested an average rate change of -7.4%, representing about 78% of Florida's auto market. She said that 2026 has seen a similar 8% decrease.

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Nelson noted several specific insurers that have announced credits to Florida policyholders and reduced rates. She also explained that Florida had the fourth-lowest incurred loss ratio in the nation in 2025, a noteworthy decrease from 2022 to 2024.

Commissioner Conway asked about Florida's excess profit law. Nelson responded that the calculation is complicated, but insurers submit their data for five years, and if the company makes more money than expected, it is ordered to return funds to policyholders.

Having no further business, the Property and Casualty Insurance (C) Committee adjourned.

SharePoint/NAIC Support Staff Hub/Member Meetings/CCMTE/2026_Spring/x_NATIONAL MEETNIG_CCMTE Spring/C CMTE Minutes SpNM 03.25.26

Draft: 2/20/2026

Adopted by the Executive (EX) Committee and Plenary, March 25, 2026

Adopted by the Property and Casualty Insurance (C) Committee Feb. 25, 2026

2026 Revised Charges

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE

The mission of the Property and Casualty Insurance (C) Committee is to: 1) monitor and respond to problems associated with the products, delivery, and cost in the property/casualty (P/C) insurance market and the surplus lines market as they operate with respect to individual persons and businesses; 2) monitor and respond to problems associated with financial reporting matters for P/C insurers that are of interest to regulatory actuaries and analysts; and 3) monitor and respond to problems associated with the financial aspects of the surplus lines market.

Ongoing Support of NAIC Programs, Products, or Services

1. The **Property and Casualty Insurance (C) Committee** will:
 - A. Discuss issues arising and make recommendations with respect to advisory organization and insurer filings for personal and commercial lines, as needed. Report yearly.
 - B. Monitor the activities of the Casualty Actuarial and Statistical (C) Task Force.
 - C. Monitor the activities of the Homeowners Market Data Call (C) Task Force.
 - D. Monitor the activities of the Surplus Lines (C) Task Force.
 - E. Provide an impartial forum for considering appeals of adverse decisions involving alien insurers delisted or rejected for listing to the *Quarterly Listing of Alien Insurers*. Appeal procedures are described in the International Insurers Department (IID) Plan of Operation.
 - F. Monitor the activities of the Federal Crop Insurance Corporation (FCIC) that affect state insurance regulators:
 - i. Serve as a forum for discussing issues related to the interaction of federal crop insurance programs with state insurance regulation.
 - ii. Review law changes and court decisions, and, if warranted, make appropriate changes to the *Federal Crop Insurance Program Handbook: A Guide for Insurance Regulators*.
 - iii. Monitor the regulatory information exchanges between the FCIC and state insurance regulators, as well as the FCIC and the NAIC, and make recommendations for improvements or revisions, as needed.
 - G. Monitor regulatory issues that arise with the development of autonomous vehicles. Study and, if necessary, develop recommendations for changes needed to the state-based insurance regulatory framework.
 - H. Provide a forum for discussing issues related to parametric insurance, and consider the development of a white paper or regulatory guidance.
 - I. Study and report on the availability and affordability of liability and property coverage for non-profit organizations.
 - J. Assist state insurance regulators in better assessing their markets and insurer underwriting practices by developing property market data intelligence so regulators can better understand how markets are performing in their states, and identify potential new coverage gaps, including changes in deductibles and coverage types, and affordability and availability issues. Provide analysis of property insurance markets to states.
 - K. Provide a forum for discussing issues related to the use of telematics in insurance, and consider the development of a white paper or regulatory guidance.

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE (*Continued*)

2. The **Cannabis Insurance (C) Working Group** will:

- A. Assess and periodically report on the status of federal legislation and regulation involving cannabis, especially as it pertains to protecting financial institutions from liability associated with providing services to cannabis businesses operating legally under state law.
- B. Support insurance regulators' efforts to encourage the development of admitted market insurers, as well as the expansion of existing admitted market insurers, and reinsurers supporting the market, to ensure coverage adequacy in states where cannabis, including hemp, is legal.
- C. Stay abreast of new products and innovative ideas that may shape insurance in this space. Provide insurance resources to insurance regulators and stakeholders, as needed.
- D. Explore potential sources of constraint to coverage limits and availability of cannabis insurance products within the admitted and non-admitted market. Explore the effect of the use of cannabis and related products on P/C insurance lines of business.

~~3. The **Catastrophe Insurance (C) Working Group** will:~~

- ~~A. Monitor and recommend measures to improve the availability and affordability of insurance and reinsurance related to catastrophe perils for personal and commercial lines.~~
- ~~B. Evaluate potential state, regional, and national programs to increase capacity for insurance and reinsurance related to catastrophe perils, including mitigation efforts being used in states and investigating loss trends in homeowners markets, with the goal to provide rate stability in the marketplace and protect consumers.~~
- ~~C. Monitor and assess proposals that address disaster insurance issues at the federal and state levels. Assess concentration of risk issues and whether a regulatory solution is needed.~~
- ~~D. Provide a forum for discussing issues and recommending solutions related to insuring for catastrophe risk, including terrorism, war, and natural disasters.~~
- ~~E. Investigate and recommend ways the NAIC can assist states in responding to disasters by continuing to build the NAIC's Catastrophe Resource Center for state insurance regulators to better prepare for disasters.~~
- ~~F. Continue to monitor the growth of the private flood insurance market and assess the actions taken by individual states to facilitate growth. Update the Considerations for Private Flood Insurance appendix to include new ways states are growing the private flood insurance market and discuss expanding the private flood insurance market.~~
- ~~G. Collaborate with other NAIC task forces and working groups regarding discussion of comparable topics, monitor catastrophe related data calls, and keep informed about projects addressing the special needs of catastrophe data.~~
- ~~H. Study, in coordination with other NAIC task forces and working groups, earthquake, severe convective storms, and wildfire matters of concern to state insurance regulators.~~
- ~~I. Work with the Catastrophe Modeling Center of Excellence (COE) in order to be aware of what states are doing related to mitigation.~~

~~4. The **NAIC/Federal Emergency Management Agency (FEMA) (C) Working Group** will:~~

- ~~A. Assist state insurance regulators in engaging and collaborating with FEMA on an ongoing basis by establishing a process for the oversight, prioritization, and reporting of disaster related regional workshops and other exercises to improve disaster preparation and resilience.~~
- ~~B. Liaise with insurers and FEMA to provide timely information to necessary parties following a catastrophic loss.~~
- ~~C. Discuss ways in which states in the same FEMA region can collaborate and share information with other states in their FEMA region.~~

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE (*Continued*)

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5-3. The Terrorism Insurance Implementation (C) Working Group will:

- A. Coordinate the NAIC's efforts to address insurance coverage for acts of terrorism. Work with the U.S. Department of the Treasury's (Treasury Department's) Terrorism Risk Insurance Program (TRIP) Office on matters of mutual concern. Discuss long-term solutions to address the risk of loss from acts of terrorism.
- B. Review and report on data collection related to insurance coverage for acts of terrorism.

6-4. The Title Insurance (C) Working Group will:

- A. Discuss and/or monitor issues and developments affecting the title insurance industry, and provide support and expertise to other NAIC committees, task forces and/or working groups, or outside entities, as appropriate.
- B. Review and assist various regulatory bodies in combating fraudulent and/or unfair real estate settlement activities. Such efforts could include working with the Antifraud (D) Task Force and other NAIC committees, task forces, and/or working groups to combat mortgage fraud and mitigating title agent defalcations through the promotion of closing protection letters (CPLs) and other remedies.
- C. Consult with the Consumer Financial Protection Bureau (CFPB) and other agencies responsible for information, education, and disclosure for mortgage lending, closing, and settlement services about the role of title insurance in the real estate transaction process.
- D. Update the Survey of State Laws Regarding Title Data and Title Matters report and the Title Insurance Consumer Shopping Tool Template as needed.
- E. Stay abreast of consumer issues and complaints submitted to states regarding title insurance. Consider regulatory best practices or standards related to consumer protection.
- F. Evaluate alternative title products and provide guidance to state insurance regulators as needed.

7-5. The Transparency and Readability of Consumer Information (C) Working Group will:

- A. Facilitate consumers' capacity to understand the content of insurance policies and assess differences in insurers' policy forms.
- B. Assist other groups with drafting language included within consumer-facing documents.
- C. Monitor states that have implemented disclosures for premium increases related to P/C insurance products.
- D. Update and develop web page and mobile content for *A Shopping Tool for Homeowners Insurance* and *A Shopping Tool for Automobile Insurance*, as needed.
- E. Develop a guidance document for states that requires companies to disclose what property attributes are on file for their property that impact premium.
- F. Develop consumer information materials about concepts that consumers don't readily understand, e.g. deductibles and how to calculate them.
- G. Study and evaluate ways to engage department of insurance (DOI) communication with more diverse populations, such as rural communities.

8-6. The Workers' Compensation (C) Working Group will:

- A. Discuss issues with respect to advisory organizations, rating organizations, statistical agents, and insurance companies in the workers' compensation arena.
- B. Monitor the movement of business from the standard markets to the assigned risk pools. Alert state insurance department representatives if the growth of assigned risk pools changes dramatically.
- C. Follow workers' compensation issues regarding cannabis in coordination with the Cannabis Insurance (C) Working Group.
- D. Discuss issues affecting workers' compensation.

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE (*Continued*)

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- E. Stay informed about workers' compensation issues by collaborating with various workers' compensation organizations, such as the International Association of Industrial Accident Boards and Commissions (IAIABC), the National Council on Compensation Insurance (NCCI), and state workers' compensation bureaus.

NAIC Support Staff: Aaron Brandenburg

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE (*Continued*)

Adopted by the Casualty Actuarial and Statistical (C) Task Force—Oct. 23, 2025

CASUALTY ACTUARIAL AND STATISTICAL (C) TASK FORCE

The mission of the Casualty Actuarial and Statistical (C) Task Force is to identify, investigate and develop solutions to actuarial problems and statistical issues in the property/casualty (P/C) insurance industry.

The Task Force's goals are to assist state insurance regulators with maintaining the financial health of P/C insurers; ensuring P/C insurance rates are not excessive, inadequate or unfairly discriminatory; and ensuring that appropriate data regarding P/C insurance markets are available.

Ongoing Support of NAIC Programs, Products, or Services

1. The **Casualty Actuarial and Statistical (C) Task Force** will:
 - A. Provide reserving, pricing, ratemaking, statistical, classification, underwriting, and other actuarial support to NAIC committees, task forces, and/or working groups. Propose changes to the appropriate work products, with the most common work products noted below, and present comments on proposals submitted by others relating to casualty actuarial and statistical matters. Monitor the activities of other groups related to casualty actuarial issues.
 - i. Property and Casualty Insurance (C) Committee: Ratemaking, reserving, or data issues.
 - ii. Blanks (E) Working Group: Property/casualty (P/C) annual financial statement, including Schedule P; P/C quarterly financial statement; and P/C quarterly and annual financial statement instructions, including the Statement of Actuarial Opinion (SAO) and Actuarial Opinion Summary Supplement.
 - iii. Capital Adequacy (E) Task Force: P/C risk-based capital (RBC) report.
 - iv. Statutory Accounting Principles (E) Working Group: *Accounting Practices and Procedures Manual* (AP&P Manual), and specifically with any future statutory accounting issues being considered under *Statement of Statutory Accounting Principles (SSAP) No. 65—Property and Casualty Contracts*.
 - v. Speed to Market (D) Working Group: P/C actuarial sections of the *Product Filing Review Handbook*.
 - B. Monitor casualty actuarial developments and consider regulatory implications.
 - i. Casualty Actuarial Society (CAS) and Society of Actuaries: Syllabus of Basic Education.
 - ii. American Academy of Actuaries (Academy): Standards of Practice, Council on Professionalism and Education, and Casualty Practice Council.
 - ~~iii~~-iii. Federal legislation.
 - C. Facilitate discussion among state insurance regulators regarding rate filing issues of common interest across the states through the scheduling of regulator-to-regulator meetings.
 - D. Conduct the following predictive analytics work:
 - i. Facilitate training and the sharing of expertise through predictive analytics webinars (Book Club).
 - ii. Coordinate with the Innovation, Cybersecurity, and Technology (H) Committee and the Life Actuarial (A) Task Force on the tracking of new uses of artificial intelligence (AI), auditing algorithms, product development, and other emerging regulatory issues. Collaborate with Big Data and AI (H) Working Group and Third-Party Data and Models (H) Working Group on regulatory oversight of AI and machine learning (ML) in insurers' ratemaking, reserving, classification, underwriting, and other activities.
 - iii. With the NAIC Rate Model Review Team's assistance, discuss guidance for the regulatory review of models used in rate filings. Maintain the *Model Review Manual*.
 - E. Monitor cyber liability insurance and discuss regulatory data needs.

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE (*Continued*)

F. Develop rate indices to track, over time and in detail, the cumulative magnitude of the rate changes that impact each state's P/C insurance markets. Collaborate with the SERFF modernization team to help guide the new platform in a direction to make these types of indices more granular, reliable, and useful.

G. Draft a white paper that explains how homeowners' insurance rates are regulated across states, with particular attention to public questions and academic claims regarding potential cross-state subsidization of catastrophic losses.

2. The **Actuarial Opinion (C) Working Group** will:

Propose revisions to the following as needed, especially to improve actuarial opinions, actuarial opinion summaries, and actuarial reports, as well as the regulatory analysis of these actuarial documents and loss and premium reserves:

- i. *Financial Analysis Handbook*.
- ii. *Financial Condition Examiners Handbook*.
- iii. *Annual Statement Instructions—Property/Casualty*.
- iv. Regulatory guidance to appointed actuaries and companies.
- v. Other financial blanks and instructions, as needed.

3. The **Statistical Data (C) Working Group** will:

A. Consider updates and changes to the *Statistical Handbook of Data Available to Insurance Regulators* to improve data quality and reporting standards.

B. Consider updates and developments, provide technical assistance, and oversee the production of the following reports and databases. Periodically, evaluate the demand and utility versus the costs of production of each product.

- i. *Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owner's Insurance* (Homeowners Report).
- ii. *Auto Insurance Database Report* (Auto Report).
- iii. *Competition Database Report* (Competition Report).
- iv. *Report on Profitability by Line by State Report* (Profitability Report).
- v. *Auto Insurance Average Premium Supplement*.

NAIC Support Staff: Kris DeFrain/Roberto Perez/Libby Crews

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE (*Continued*)

Adopted by the Homeowners Market Data Call (C) Task Force—Oct. 28, 2025

2026 Charges

HOMEOWNERS MARKET DATA CALL (C) TASK FORCE

Homeowners Market Data Call (C) Task Force will:

- A. Oversee development and delivery of periodic communication to the NAIC membership on issues related to the Homeowners Market Data Call.
- B. Develop a framework for the Homeowners Market Data Call, including data collection authority, confidentiality protections, and data sharing between states and the NAIC.
- C. Consider recommendations from the regulator-only drafting group and interested party input and approve any changes to the current scope and content of the data call for 2026
- D. Oversee continued development of regulator tools and training related to the data call.
- E. Develop a national analysis report, for regulators only, with support from CIPR. Consider the nature and extent of such national analysis report that may be suitable for public release.

1. The Homeowners Market Report (C) Working Group will:

- A. Consider drafting and public release of a report analyzing data from the homeowners market data call.**

NAIC Support Staff: Aaron Brandenburg/Libby Crews

PROPERTY AND CASUALTY INSURANCE (C) COMMITTEE (*Continued*)

3/25/26

Adopted by the Surplus Lines (C) Task Force—July 31, 2025

2026 Proposed Charges

SURPLUS LINES (C) TASK FORCE

The mission of the Surplus Lines (C) Task Force is to monitor the surplus lines market and regulation, including the activity and financial condition of U.S. and non-U.S. surplus lines insurers participating in the U.S. market, by providing a forum for discussion of issues and to develop or amend relevant NAIC model laws, regulations, and/or guidelines.

The **Surplus Lines (C) Task Force** will:

- A. Provide a forum for discussion of current and emerging surplus lines-related issues and topics of public policy and determine appropriate regulatory response and action.
- B. Review and analyze industry data on U.S. domestic and non-U.S. surplus lines insurers participating in the U.S. market.
- C. Monitor federal legislation related to the surplus lines market and ensure all interested parties remain apprised.
- D. Develop or amend relevant NAIC model laws, regulations, and/or guidelines.
- E. Oversee the activities of the Surplus Lines (C) Working Group.

The **Surplus Lines (C) Working Group** will:

- A. Operate in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings and in open session when discussing surplus lines topics and policy issues, such as amendments to the International Insurers Department (IID) Plan of Operation.
- B. Maintain and draft new guidance within the IID Plan of Operation regarding standards for admittance and continued inclusion on the NAIC *Quarterly Listing of Alien Insurers*.
- C. Review and consider appropriate decisions regarding applications for admittance to the NAIC *Quarterly Listing of Alien Insurers*.
- D. Analyze renewal applications of alien surplus lines insurers on the NAIC *Quarterly Listing of Alien Insurers* and ensure solvency and compliance per the IID Plan of Operation guidelines for continued listing.
- E. Provide a forum for surplus lines-related discussion among jurisdictions.

Draft: 3/31/26

Cannabis Insurance (C) Working Group
San Diego, CA
March 25, 2026

The Cannabis Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met in San Diego, CA, March 25, 2026. The following Working Group members participated: Katey Piciuccio, Chair (CA); TK Keen, Vice Chair (OR); Erick Wright (AL); Hank House (AR); Angela King (DC); Jennifer Welch (DE); C.J. Metcalf (IL); Ryan Blakeney (MS); Tedd Bidon (MT); Ursula Almada (NM); Gennady Stolyarov (NV); Brian Downs (OK); Sebastian Conforto and Kathryn McDermott Speaks (PA); Isabelle Turpin (VT). Also participating were: Michelle B. Santos (GU) and Tregenza A. Roach (VI).

1. Adopted its Oct. 20, 2025, Minutes

Keen made a motion, seconded by House, to adopt the Working Group's Oct. 20 minutes (*see NAIC Proceedings – Fall 2025, Property and Casualty Insurance (C) Committee, Attachment Three*). The motion passed unanimously.

2. Heard a Presentation on Recent Federal Actions Regarding Cannabis and Hemp

Joanne Caceres (Denton Law Firm) stated that cannabis remains a Schedule I substance under the federal Controlled Substances Act (CSA), despite widespread state legalization. She noted that cannabis contains multiple cannabinoids, including tetrahydrocannabinol (THC) and cannabidiol (CBD), and is sold in a wide range of consumer products, such as flower, concentrates, edibles, beverages, and topicals.

Caceres stated most states permit some form of cannabis use—either adult-use, medical, or low-THC programs—resulting in cannabis being legal and illegal simultaneously, depending on jurisdiction. She noted that more than three-quarters of the U.S. population lives in a state with some form of legal cannabis access and that public support remains strongest for medical cannabis. Hemp is a legal subcategory of cannabis, defined federally by a delta-9 THC concentration of no more than 0.3% on a dry-weight basis. Statutory language adopted through federal agriculture legislation enabled the emergence of intoxicating hemp-derived products, such as THC-infused beverages and gummies, which are sold nationwide. States have responded inconsistently, with some permitting these products, subject to regulation, while others impose strict potency limits, and some prohibit them entirely.

Recent federal law now limits THC in hemp-derived consumer products to 0.4 milligrams per container, effective Nov. 12, 2026, under the FY2026 Agriculture Appropriations Act (P.L. 119-37, Section 781). This change closes the "intoxicating hemp loophole" by reclassifying products exceeding this limit as marijuana, greatly impacting full-spectrum hemp products and much of the current market. However, the hemp industry is pursuing legislative or regulatory adjustments, so future outcomes are uncertain.

In May 2024, the Department of Justice proposed rescheduling marijuana from Schedule 1 to Schedule III. On Dec. 18, 2025, President Trump signed an executive order titled "Increasing Medical Marijuana and Cannabidiol Research," instructing the Attorney General to accelerate reclassification under the CSA. While rescheduling would not legalize state cannabis programs, it would remove Internal Revenue Code Section 280E tax restrictions, allowing cannabis businesses to take ordinary business deductions. The executive order also directed the

administration to work with Congress to update the statutory definition of hemp and announced a potential federal pilot program to reimburse certain hemp-derived cannabinoid products for research purposes.

Caceres stated that providing insurance to state-legal cannabis businesses is permissible under state law but requires enhanced diligence due to ongoing federal illegality and varying state requirements. She identified limited historical loss data as a key underwriting challenge and suggested insurers look to analogous industries—such as indoor agriculture, chemical manufacturing, alcohol, and consumer packaged goods—for pricing insights. She also highlighted emerging risks, including climate impacts, plant pathogens, employee health issues, product liability concerns, workforce protections, and increased use of alternative risk mechanisms such as captives and self-insurance. She emphasized the need for insurers and regulators to closely monitor the evolving legal, political, and cultural environment surrounding cannabis and hemp.

3. Heard a Presentation from Golden Bear Insurance on its Journey, Keys to Success, and Insights on Recent Federal Actions

Michael Brown (Golden Bear Insurance) said the company began offering cannabis insurance on Jan. 1, 2018, after California legalized adult-use cannabis. Initially, Golden Bear had no plans to enter the market, but state regulations required insurers to cover licensed cannabis businesses. With encouragement from state officials and a focus on state-compliant operators, Golden Bear became the first admitted cannabis insurance program in the U.S. He credited the California Department of Insurance for its cooperation and expedited review of early filings, which allowed Golden Bear to launch coverage on a compressed timeline.

Golden Bear initially confined its operations to California due to early concerns regarding interstate commerce and federal intervention. Over time, the company recognized that premiums, reinsurance, brokerage services, and premium financing often involved out-of-state entities, underscoring the interconnected nature of the insurance market. He noted that the early cannabis insurance market required flexibility and adaptation due to limited data and rapidly evolving risks.

Brown explained that Golden Bear's initial rate filings relied on analogies to comparable industries, including alcohol, tobacco, and confectionery manufacturing, given the intoxicating nature of cannabis products and their various delivery methods. As the program matured, Golden Bear expanded into Arizona as that state legalized adult-use cannabis and currently writes nonadmitted business in other legalized states.

Discussing claims experience, Brown stated that early assumptions about premises liability risk proved overstated. Over eight years, Golden Bear experienced only two notable premises liability claims, neither of which was directly related to cannabis products. He stated that theft losses were more significant in the early years, prompting the company to revise security requirements and endorsements as it gained a better understanding of criminal methods targeting cannabis operations.

Golden Bear's approach to product liability coverage evolved over time. Initially offered as optional coverage due to limited scientific research and the financial constraints of startup operators, product liability coverage later became standard as the industry matured and became more vertically integrated. He reported that Golden Bear has not experienced any paid product liability losses to date, though the company continues to view this line as a heightened concern due to the lack of long-term health studies.

Brown stated federal rescheduling of cannabis to Schedule III would have significant implications for insureds by

allowing ordinary business deductions under federal tax law, potentially improving financial stability and increasing demand for insurance coverage. He also noted that rescheduling could facilitate medical research by enabling hospitals, universities, and pharmaceutical companies to conduct more comprehensive studies on cannabis-related health impacts.

Golden Bear's underwriting practices and policy exclusions have also been refined as the market has evolved. Golden Bear adjusted requirements related to fire risks, indoor grow operations, special events, onsite consumption, assault and battery coverage, and vape-related exposures as real-world loss data became available. Brown stated that many early concerns proved less severe than anticipated and that the cannabis industry has matured significantly, with fewer undercapitalized operators and greater reliance on well-organized, vertically integrated businesses. Canadian publicly listed cannabis firms have greatly shaped how U.S. cannabis operators are organized by providing capital, facilitating public listings, and encouraging a move toward more corporate, vertically integrated setups. Since cannabis is still federally illegal in the U.S., businesses have turned to Canadian exchanges like the CSE and TSX to raise capital, leading to complex cross-border company structures and specialized merger-and-acquisition groups. Brown stated that insurers must continue to adapt as the legal, scientific, and market landscape for cannabis continues to develop.

Stolyarov asked which peril has resulted in the most claims payments for Golden Bear's cannabis insureds. Brown responded that theft of property has been the most significant source of claims for cannabis clients. Stolyarov also asked why it has taken so long for the federal government to move cannabis from Schedule I to Schedule III, given broad public support, widespread state legalization, and the perception that rescheduling represents a moderate policy approach. Caceres explained that cannabis was placed in Schedule I by legislation rather than science and that its classification has been politically contested for decades. She noted that advocacy organizations and state officials have repeatedly urged reconsideration, including by submitting requests to federal agencies in the early 2010s. Prior federal reviews relied heavily on selective or limited studies and discounted international and non-federal research, reflecting political resistance rather than scientific consensus. Cannabis remains stigmatized in some policy circles, and that organized opposition continues to challenge state cannabis programs through litigation, ballot initiatives, and legislative efforts in several states. Although President Trump has directed federal agencies to pursue rescheduling, cannabis has not yet been formally rescheduled, and opposition groups continue to resist the change. While additional announcements are anticipated, the outcome and timing remain uncertain.

Tregenza asked how Golden Bear managed banking and premium transfers for cannabis insurance operations in Arizona and California without violating federal law. Brown explained that Golden Bear is domiciled in California, privately held, and conducts its banking through a local community bank that has not raised concerns about accepting premiums from state-legal cannabis operations. He noted that Golden Bear's status as a privately held insurer has allowed it to participate in a market that larger publicly traded insurers may avoid due to reporting and regulatory sensitivities.

Tregenza also asked about the movement of funds across state lines, particularly when brokers are located outside California. Brown stated that interstate transactions can occur when brokers or service providers are based in other states, such as cannabis specialty brokers operating from offices outside California. He stated that while this initially raised concerns about interstate commerce, Golden Bear relies on the McCarran-Ferguson Act, which affirms state authority to regulate insurance, and on approval from the California Department of Insurance to support its activities. He added that, to date, there has been limited federal interest in insurance and other ancillary services supporting state-legal cannabis programs.

Caceres added that federal appropriations provisions restrict the use of federal funds to interfere with state medical cannabis programs and that courts—particularly in California—have interpreted these provisions broadly. She stated this limitation has been applied to entities that support state cannabis programs, including ancillary services, on the grounds that enforcement actions against those entities would interfere with state-authorized programs. Although these protections are formally tied to medical cannabis, Caceres noted that in practice they have extended to adult-use programs, as most adult-use states also maintain medical cannabis systems and the two are closely interconnected.

Having no other business, the Cannabis Insurance (C) Working Group adjourned.

SharePoint/NAIC Support Staff Hub/Member Meetings/C CMTE/2026_Spring/Cannabis/03-CannabisWG.docx



CONSUMER GUIDE TO
TITLE INSURANCE

CONSUMER GUIDE TO **TITLE INSURANCE**

THIS GUIDE PROVIDES:

- The basics of title insurance.
- The importance of title insurance.
- Shopping tips for title insurance and closing services.
- Questions to ask before you buy title insurance.

Drafting Note: This template is designed for state insurance departments interested in creating a consumer education publication about title insurance. It serves as a comprehensive guide that can be customized to suit the specific needs of each state.

CONSUMER GUIDE TO **TITLE INSURANCE**

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DISCLAIMER:

The information included in this publication is meant to serve as a guide and is not a substitute for legal or professional advice. Please contact a professional if you have any questions.

CONSUMER GUIDE TO **TITLE INSURANCE**

INTRODUCTION

Buying or refinancing a property is a significant financial decision that involves many steps. One critical but sometimes overlooked step is choosing title insurance. Title insurance protects property owners and/or lenders from financial losses caused by past issues, such as unpaid liens, forged documents, or claims from missing heirs that weren't discovered during a title search. This protection typically lasts for the entire time you own the property.

When you buy title insurance, be sure it is from a title insurance agent or company licensed to do business in { State }.¹

¹ **[Drafting note:** *If your state has an agent locating/verification tool, this is a great place to reference the website specific to the agent verification tool and/or contact number for the state's licensing office.*]

This shopping tool focuses on title insurance—what it is, when it's required, why it's important, and information to help you choose the right policy.

KEY STEPS IN THE HOMEBUYING PROCESS



Prepare finances and credit



Secure financing pre-approval....if needed



Find a real estate professional



Identify the right property



Make an offer



Sign the purchase agreement and get an inspection



Determine your insurance coverage needs



Close and enjoy your new home

CONSUMER GUIDE TO **TITLE INSURANCE**

WHAT IS TITLE INSURANCE AND WHAT DOES IT COVER?

A deed is a legal document that conveys the legal ownership of a property.

A deed is a legal document that conveys the legal ownership of a property.

Title insurance is an insurance policy that covers past title problems that come up *after* you buy or refinance a property.

Lost, forged, or incorrectly filed deeds, property access issues, and liens on a property are just a few of the title problems that could come up after you buy or refinance a property.

For example, if you get a letter telling you there is an unpaid mortgage on a home you just bought, you could submit a claim to your title insurance company. The title insurance company would cover the legal costs and other expenses to investigate, defend against the claim to the title, and settle the dispute and/or resolve the issue.

Without title insurance, you might have to pay all of the legal costs to settle the dispute. And if you lose the dispute, you could lose money, the equity you have in your home, and possibly your home.

WHAT ARE THE TWO MAIN TYPES OF TITLE INSURANCE?

There are two types of title insurance policies:

1. An Owner's Title Insurance Policy

An *owner's policy* protects you for the full price you paid for the property, plus legal costs if a past covered title problem comes up after you buy your property. The coverage in an owner's policy is often for the amount you paid to buy your property. The policy will cover you as long as you have a legal right to own the property. The buyer most often pays the premiums for an owner's policy.

If you aren't required to buy an owner's policy, you may want to anyway, so you don't risk losing the money you've paid for your property if there's a problem with the title.²

² **[Drafting note:** *If your state requires an owner's policy, use this sentence: "In {State}, you must buy an owner's policy." If your state does NOT require an owner's policy, use this sentence: "While some states require you to buy an owner's policy, {State} does not."*

An *enhanced owner's policy*, which has more coverage than a standard owner's policy, may also be available in your area. Enhanced owner's policies cost about 20% more than a standard owner's policy, but they cover extra risks. An enhanced owner's policy may also continue to cover you after you no longer own a property.

2. A Lender's Title Insurance Policy

If you borrow money to buy your property, your lender is likely to require you to buy a *lender's policy*. A lender's policy only protects *the lender* if a title problem comes up after you buy the property. The coverage in a lender's policy is for the amount of the mortgage and goes down as you pay down your loan. Unlike an owner's policy, the lender's policy ends when you pay off your mortgage. You may have to pay the premium for a lender's policy.

Because a lender's policy only protects the lender from title problems, you'll also need an owner's policy if you want to protect yourself and the equity you have in your property.

CONSUMER GUIDE TO **TITLE INSURANCE**

WHAT DOESN'T TITLE INSURANCE COVER?

Title insurance policies *do not* cover ownership issues that come about *after* you've bought a property. For example, if your neighbor builds a fence on your property line or a contractor files a lien after you've bought your property, your title insurance policy will **not** cover the costs to settle the dispute.

Also, your title insurance policy might not cover certain existing issues with the property. For instance, the property may have an ongoing boundary dispute or an undisclosed easement (for example, someone else has the

legal right to use part of your property, like a driveway or utility line, for a specific purpose). Your title insurance typically will **not** cover the costs of resolving these types of issues.

A title insurance policy primarily covers past title defects, such as forged documents and improperly filed titles, but does not address issues that come up after the closing.

Ask for a list of what will and won't be covered and ask questions to be sure you understand the differences.

WHAT SHOULD I KNOW ABOUT CHOOSING A TITLE COMPANY AND BUYING TITLE INSURANCE: RIGHTS, COSTS, AND REFERRALS?

YOU HAVE THE RIGHT TO SHOP FOR AND CHOOSE WHO PROVIDES YOUR TITLE INSURANCE AND CONDUCTS THE CLOSING!

When you buy a property, two important steps are choosing the right title company and understanding your title insurance. Both are important to protect your investment and make sure your closing goes smoothly. Before, or more likely, at the time you make an offer to buy a property, you'll be asked to name a licensed title company, agent/producer, or attorney to handle your real estate closing. The closing is also known as a settlement.

The licensed professional you choose will be responsible for several crucial steps in the process to buy a property, including buying title insurance. At all times during the process, you have the right to choose the title company for your transaction. At no point should you be pressured, coerced, or required to sign an agreement with a company you didn't choose.

AFFILIATED BUSINESS ARRANGEMENTS IN THE LAW

The Federal Real Estate Settlement Procedures Act (RESPA) defines and regulates affiliated business arrangements (ABAs). This law requires a written disclosure that names a specific title company and explains that the agent has a financial interest and will make money if you use this title company. RESPA prohibits kickbacks and referral fees for parties involved in real estate settlements.

For more information, access the full text [here](#).

CONSUMER GUIDE TO **TITLE INSURANCE**

WHO SELLS TITLE INSURANCE AND WHO PAYS FOR IT?

You can start to research title insurance when you begin your search for a property to buy. Only licensed companies, agencies, or agents are allowed to sell title insurance policies. You can ask friends, family, or your real estate agent for advice to help you with your choice. Online reviews may also be helpful.

Who pays for title insurance depends on local rules and traditions, but buyers and sellers can also negotiate this. Often, the seller pays for

the owner's policy, and the buyer pays for the lender's policy. Ask your real estate agent who usually pays for title insurance in your area.

You pay for title insurance once—at closing.

If you're refinancing, you, as the property owner, must buy and pay for the new lender's title insurance policy. Generally, you won't need a new owner's policy when you refinance if you bought one when you bought the property.

BE AWARE

Your agent or broker may have an affiliated business arrangement (ABA) with the title insurance agent or company they recommended. There may be a financial arrangement in place that gives the agent an incentive to make this recommendation.

If there's an affiliated arrangement, the agent must tell the buyer in a written notice before the closing. Often, the title company is pre-selected, and the name is pre-filled on the

offer paperwork. The disclosure is a separate document.

The established relationship in an ABA could mean a smoother transaction and more coordinated services. But it also could mean higher costs, a conflict of interest, and poorer service if the focus is on financial gain. You are never required to use a company that has an affiliated business relationship.

HOW DO I CHOOSE A TITLE INSURANCE COMPANY?

Regardless of who refers you to a title insurance company, it's essential to compare the estimated costs and fees and to ask questions. While the cost of a title policy is fixed based on the purchase price of the property, fees and some costs can vary widely between title companies.

The cost comparison chart on page 17 lists several costs and fees. Ask for an estimate of these fees and costs based on the expected purchase price of the property. You may be able to negotiate some of them. If you don't understand what a fee or cost is, ask questions. Do not accept statements like:

"Everyone charges the same price."

"We'll give you a discount on something else if you use our title agent."

"If you choose another title agent, your purchase may be delayed."

A title company should be willing and able to answer all your questions before you make a decision. Even if the process feels rushed, federal law gives you the right to receive and review a closing disclosure at least three business days before closing.

Shopping around and asking questions allows you to make an informed decision, find a company you feel confident in, and potentially save you money.

CONSUMER GUIDE TO **TITLE INSURANCE**

WHAT ARE ALTERNATIVES TO TITLE INSURANCE?

WHAT IS AN ATTORNEY OPINION LETTER?

If you are offered an attorney opinion letter (AOL) instead of title insurance, here's what you should know. An AOL is essentially a letter from a lawyer that states who owns the property and shares their opinion about any issues they find in the public records after reviewing the title.

The letter is the lawyer's opinion on the condition and ownership of a property's title. The letter may include information on the legal status, validity, and risks of a real estate transaction. It may address issues such as title disputes, enforceability of loan terms, or compliance with local laws. This opinion is based on facts and information available as of the day the AOL is written.

The letters do not typically cover fraud, forgery, or liens that aren't in public records. If

there is a problem with the title, the attorney who drafted the letter does not pay your legal costs and expenses to fix the problem. You will pay the costs to research and resolve the issue. The attorney who drafts the letter determines the price of the AOL.

State insurance departments do not regulate the contents, form, or pricing of AOLs. Title insurance is primarily regulated at the state level, and state insurance agencies may license title insurance companies and review and approve forms and rates

Whether you can use an AOL depends on the type of transaction, the location of the property, and the type of property. Currently, AOLs are mainly used by lenders and usually only protect the lender.

WHAT EMERGING PRODUCTS SHOULD I KNOW ABOUT IN THE AOL MARKET?

Insurance companies have begun to offer an insurance policy that protects an attorney if they made an error or mistake when providing their opinion in the AOL.

The liability insurance is purchased at the same time as the AOL and serves as a safety net for attorney mistakes. Usually, it protects only the lender and the attorney who issued the AOL, not you as the property owner.

Some newer liability coverage offerings may extend protection for you and your lender. If you are offered an AOL with an insurance policy that states it covers you as the property owner, be sure to review the terms carefully and ask questions to understand what's included.³

³**[Drafting note:** *If your state has issued guidance regarding AOLs or other products being offered as an alternative to title insurance, reference the bulletin or guidance issued by your state here.*]

If you're considering an AOL, check the "What Does a Title Insurance Policy Cost?" section for costs and discounts, and use the cost chart to compare options.

CONSUMER GUIDE TO **TITLE INSURANCE**

HOW DOES TITLE INSURANCE FIT INTO THE CLOSING PROCESS?

WHAT HAPPENS AT CLOSING?

The closing is the final step to buy or refinance a property. The closing can be in person, remote, or by mail. An in-person closing usually takes an hour or two. Several individuals may attend, including the buyer, seller, real estate agents, attorneys, title agents, and lenders. If you can't be there in person or remotely, you can appoint someone to sign documents on your behalf.

A closing agent is responsible for managing the closing and coordinating the steps to finalize the transaction. Closing agents can be title agents or attorneys. After the seller accepts your offer or the lender approves your refinancing, you'll work together to choose a closing date. On that day, you and the seller

must settle any outstanding debts and sign the necessary legal paperwork to finalize the transaction.

You pay the title insurance premium only once—at closing.

Remember that your policy protects you and your heirs with a legal right to the property from title issues for as long as you own it.

WHAT DOCUMENTS WILL I SEE AT CLOSING?

The closing disclosure is an important document. The disclosure details all payments required to complete the transaction, including title insurance premiums and closing protection letter premiums/ fees.

Federal law lets you review your closing disclosure at least three business days before closing. Reviewing the disclosure as soon as








possible gives you more time to ask questions and avoid delays in your closing date.

You'll sign many documents at closing. Be sure you understand what you're signing.

After closing, you'll receive copies of all signed documents. The figure below illustrates what you can expect during the closing process.

CONSUMER GUIDE TO **TITLE INSURANCE**

WHAT STEPS TO EXPECT IN A REAL ESTATE TRANSACTION

	SIGN CONTRACT AND PROVIDE EARNEST MONEY	You will sign the purchase contract and provide an earnest money deposit to show you are serious about buying the property.
	TITLE SEARCH COMPLETED	The title agent or title company will review the property's history to check for issues like liens, disputes, or outstanding mortgages. You'll be notified if anything needs to be resolved before closing.
	RECEIVE TITLE INSURANCE COMMITMENT	You'll get a report from your title agent or title company outlining the title insurance premium, requirements, and any exceptions (such as easements).
	REVIEW CLOSING DISCLOSURE	If you are borrowing money to buy real estate, you will receive your Closing Disclosure at least three days before closing, outlining how the funds will be disbursed and the mortgage terms. Review this carefully and ask questions if anything is unclear.
	ATTEND CLOSING	On closing day, you'll sign all required documents, pay any remaining costs, and the funds will be distributed (such as paying off liens, disbursing proceeds, paying premiums, etc.).
	DOCUMENTS RECORDED	After closing, the closing agent or title company files paperwork with the county where the property is located to update public records with your ownership and lender information. This isn't always done correctly, and mistakes can happen, so you should always follow up with the county to confirm.
	RECEIVE YOUR TITLE POLICY AND DEED	You'll receive your owner's title policy and the recorded deed as proof of ownership. The lender will receive a lender's title policy. (You should keep your title policy as proof of title insurance.)

WHAT IS A CLOSING PROTECTION LETTER?

Title insurance doesn't protect the lender or buyer against mistakes made during the closing, or if money is stolen or paid to the wrong parties. For an added fee, title insurance companies offer closing protection letters. In some cases, the lender may require a closing protection letter.

If you buy a closing protection letter, the title insurance company will reimburse you for any money you lose from negligence, fraud, theft of funds, or errors the closing agent made.

Without this protection, you'd have to sue the agent to get back any money lost.

If you buy closing protection coverage, be sure to ask for a copy of the closing protection letter for your records.⁴

⁴ **Drafting note:** States that do not require closing protection, have modified coverage requirements, or have determined a closing protection letter to be insurance should delete or edit this section accordingly.

CONSUMER GUIDE TO **TITLE INSURANCE**

WHAT’S THE DIFFERENCE BETWEEN TITLE INSURANCE AND HOMEOWNERS INSURANCE?

Title insurance is different from homeowners insurance (sometimes called hazard insurance).

Title insurance protects you against past title problems. Homeowners insurance protects you against future issues that cause damage to your home or personal property. Homeowners insurance also limits your personal legal responsibility (or liability) if someone is injured while they are on your property.

Licensed title insurance agents and companies sell title insurance. Insurance agents licensed to sell property/casualty insurance sell homeowners insurance.

You pay for title insurance just once when you buy or refinance your property. For homeowners insurance, you make your first payment at closing and then keep paying regularly (such as every month or year) to keep your coverage active. Homeowners insurance needs to be renewed each year, and a premium is paid at each renewal.

Homeowners insurance does not protect your ownership of the property and does not replace the need for title insurance. The table below summarizes the differences between title insurance and homeowners insurance. Remember to always review your insurance policy for terms and conditions regarding your coverage.

FEATURES	TITLE INSURANCE*	HOMEOWNERS INSURANCE*
PROTECTION	Covers defects in the property's legal history or title.	Covers physical damage to the home and personal property from future events, as well as liability risks.
TIMELINE	Covers specified past and existing issues with a property.	Covers future damage and liability.
COMMON ISSUES COVERED	Prior liens, errors in public records or past deeds, heirs and claims, and forged documents.	Damage from fires and storms, theft and vandalism, personal liability, and additional living expenses.
PAYMENT	One-time premium paid at closing.	Recurring monthly or annual premium payments.
POLICY DURATION	Lasts as long as you or your heirs own the property.	Lasts for the policy term and must be renewed.

*Always review your policy for terms and conditions

For more information about homeowners insurance, refer to the NAIC's [A Consumer's Guide to Home Insurance](#) and the NAIC's [A Shopping Tool for Homeowners Insurance](#).

CONSUMER GUIDE TO **TITLE INSURANCE**

HOW CAN I PROTECT MYSELF FROM REAL ESTATE FRAUD?

Scammers often target real estate transactions. They use fake documents, hacked emails, and even artificial intelligence (AI) technology to steal money or property. While title insurance protects against past ownership issues, it

may not cover scams that happen during the closing process.

The good news is that there are simple steps you can take to recognize fraud and keep your transactions secure.

WHAT ARE THE MOST COMMON TYPES OF SCAMS?

Seller Impersonation Fraud: Scammers use fake IDs or paperwork to pretend to own a vacant or rental property. They quickly list the property for sale and try to close the deal fast to steal the money.

Wire Transfer Fraud: Hackers break into email accounts and send fake wiring instructions that look like they came from your title company, agent, or attorney. If you send money to these accounts, it may be lost forever.

Mortgage Payoff Fraud: Criminals claim to be your lender or closing agent and trick you into wiring your mortgage payoff to the wrong place.

AI-Powered Voice Scams: Scammers use AI to mimic the voices of people you trust, convincing you to change payment or closing details.

Deed Theft: Criminals illegally transfer property ownership to themselves by forging documents, such as deeds. They then use this fake ownership to sell the property, secure loans against it, or rent it out to unaware tenants.

WHAT ARE THE SIGNS OF A SCAM?

- Requests to change payment or wire instructions via email or text.
- Unwillingness to speak by phone or meet in person.
- Pressure to close quickly or remotely.
- Properties priced well below market value or in poor condition.
- Closings scheduled for weekends or holidays.

CONSUMER GUIDE TO **TITLE INSURANCE**

HOW CAN I STAY SAFE?

- **Get a verified contact list:** Collect phone numbers and email addresses for all closing professionals from trusted sources.
- **Use secure platforms:** Choose title insurance companies that offer fraud prevention tools.
- **Review documents carefully:** Read your title commitment and closing disclosure in advance. Watch for unusual terms or instructions.
- **Double-check wire transfers:** Before and after sending money, speak directly with your title insurance or closing agent to confirm that it was received.
- **Verify all changes:** If you're asked to update any part of the closing process, call your contacts using known numbers to confirm.
- **Stay vigilant after closing:** Monitor your property for ongoing changes to your deed and title. You can use public land records or pay for a title monitoring service. *[Insert jurisdiction-specific information.]*

WHAT SHOULD I DO IF I SUSPECT FRAUD?

- Contact your bank immediately to attempt a wire recall.
- Notify your title insurance company and all parties involved in the transaction.
- Alert your credit bureau.
- Call your local Federal Bureau of Investigation (FBI) office and report the crime.
- File a report with the FBI's Internet Crime Complaint Center: www.ic3.gov.

CONSUMER GUIDE TO **TITLE INSURANCE**

HOW DO I FILE A TITLE INSURANCE CLAIM?

If there is an issue about your property's title, contact your title insurance company as soon as possible. If you don't know the name of your title insurance company, check the paperwork you signed when you bought or refinanced your property.

You can contact your title insurance agent or closing company for help. They will look into the issue and help determine if a valid claim exists. If there is one, they will explain the process to resolve the issue.

The Is Here to Help.

For more information about buying insurance, please visit

or call

As a consumer protection agency, the can also help if you think an insurance agent or company has misled you or acted improperly.

To file a complaint, please visit our website at

or send a written complaint and any supporting documents to:

CONSUMER GUIDE TO **TITLE INSURANCE**

OTHER RESOURCES

To verify that professionals who will help you with your real estate transaction are licensed, please contact:

Real Estate Agent

Bank/Mortgage Lender

Real Estate Appraiser

Insurance Agent

Insurance Company

Title Agent

Title Insurance Company

Attorney

To find other useful information about the home buying process, please contact:

U.S. Department of Housing and Urban Development

451 7th Street S.W.
Washington, DC 20410
202-708-1112
www.hud.gov

Consumer Financial Protection Bureau

P.O. Box 4503
Iowa City, Iowa 52244
855-411-2372
855-237-2392 (Fax)
<http://www.consumerfinance.gov>

National Flood Insurance Program

500 C Street SW
Washington, DC 20472
800-621-FEMA
www.floodsmart.gov

FBI Internet Crime Complaint Center

www.ic3.gov

FTC Identity Theft Help

www.identitytheft.gov

CONSUMER GUIDE TO **TITLE INSURANCE**

TITLE INSURANCE SHOPPING TOOLKIT

These pages are designed to be a practical toolkit. You're encouraged to download or print and use these materials during your decision-making process. Have the downloaded toolkit or a printed copy with

you during meetings with title insurance agents, real estate agents, or when you review documents. Each section offers key questions to protect your interests.

WHEN YOU SHOP FOR TITLE INSURANCE, BE SURE TO ASK THE TITLE INSURANCE AGENT OR COMPANY THE FOLLOWING QUESTIONS:

- How long have you been licensed to sell title insurance in
- What title insurance companies' policies do you sell?
- Are title insurance premiums regulated in
- Are any discounts available?
- Are you related or affiliated in any way with my real estate agent, mortgage lender, builder, or attorney?
- Will anyone be paid a referral fee or commission, or be compensated if I buy title insurance from you or a company you represent?
- In addition to title insurance premiums, what other fees and charges will I pay?
- What policy endorsements are available?
- Do you charge a cancellation fee if I don't buy title insurance from you after you do a title search?
- Will I need to pay for a survey (a professional drawing of the property's boundaries and property location) before you can sell me title insurance?

IF YOU'RE CONSIDERING AN ATTORNEY OPINION LETTER (AOL), BE SURE TO ASK THE FOLLOWING QUESTIONS:

- How is an AOL different from title insurance?
- How does the cost of an AOL compare to the cost of title insurance?
- Will my lender accept an AOL instead of title insurance?
- Is there any extra insurance with the AOL? If yes, who is it from, and what does it cover?
- If there's a problem, do I have to go to court to get help?
- What problems won't the AOL cover?

CONSUMER GUIDE TO **TITLE INSURANCE**

WHEN CHOOSING A CLOSING AGENT, BE SURE TO ASK THE FOLLOWING QUESTIONS:

- Can you give me a list of all the fees and charges I would pay if you were my closing agent?
- What fees and charges are negotiable?
- Are your closing staff licensed title insurance agents?
- How and when do you conduct closings?
- Who will handle my closing?
- When will you give me a copy of the closing document?
- Do you have references or testimonials from former clients?
- Do you offer closing protection coverage?
- How much does closing protection cost?

SHOP AROUND FOR TITLE INSURANCE AND CLOSING SERVICES

You should shop for title insurance and closing services, as premiums and fees can vary. Use the chart below to see how much you'll be charged for specific premiums, fees, and services.

TITLE INSURANCE SHOPPING TOOL

COST COMPARISON CHART

Company Name Company Name Company Name

Title Insurance

Premium Price (Lender's Title Policy)	\$ _____	\$ _____	\$ _____
Premium Price (Owner's Title Policy)	\$ _____	\$ _____	\$ _____
Endorsement Price	\$ _____	\$ _____	\$ _____
Title Search Fee	\$ _____	\$ _____	\$ _____
Closing Protection Letter	\$ _____	\$ _____	\$ _____
Deed Preparation Fee	\$ _____	\$ _____	\$ _____
Other	\$ _____	\$ _____	\$ _____
Other	\$ _____	\$ _____	\$ _____
Total:	\$ _____	\$ _____	\$ _____

Company Name Company Name Company Name

Closing Costs

Government Recording Charge	\$ _____	\$ _____	\$ _____
Tax & Other Certifications	\$ _____	\$ _____	\$ _____
Overnight Mail	\$ _____	\$ _____	\$ _____
Wire Fee	\$ _____	\$ _____	\$ _____
Transfer Tax	\$ _____	\$ _____	\$ _____
Notary Fee	\$ _____	\$ _____	\$ _____
Settlement Fee	\$ _____	\$ _____	\$ _____
Document Preparation Fee	\$ _____	\$ _____	\$ _____
Email/Electronic Doc Fee	\$ _____	\$ _____	\$ _____
Other	\$ _____	\$ _____	\$ _____
Other	\$ _____	\$ _____	\$ _____
Total:	\$ _____	\$ _____	\$ _____

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GLOSSARY OF TERMS AND DEFINITIONS

Affiliated Business Arrangement: An arrangement in which a person who can refer business, such as a real estate agent, has an ownership interest in a settlement service provider (e.g., title insurance, mortgage company) and refers business to them.

Attorney Opinion Letter: A legal opinion from an attorney on a property's title status.

Closing: The process of completing a real estate transaction during which deeds, mortgages, leases, and other required instruments are signed and/or delivered, parties settle and balance their accounts, and money is paid. Closing can also be referred to as a settlement.

Closing protection letters: A document issued by a title insurance company. The letter protects a lender if a title insurance company's agent or attorney fails to follow closing instructions or steals funds.

Commitment: The preliminary report or binder that the title insurance company creates before it issues a title insurance policy. The commitment includes the policy's terms, conditions, and exceptions.

Deed: A legal document that conveys legal ownership.

Defect: A problem or missing information related to the title that affects your ownership rights to the property.

Earnest money deposit: A good-faith payment from the potential buyer to show serious intent to buy the property.

Exception: Specific items or issues listed in a title insurance policy that the insurance doesn't cover.

Insurance: A contract where you pay for financial protection against specific risks.

Lien: A legal claim on a property for money owed to a creditor or lienholder. Property with a lien usually cannot be sold.

Lender's policy: Protects the lender against problems with the title for as long as they have an interest in the property (typically until the mortgage is paid off).

Owner's policy: Protects the owner against problems with the title for as long as they have an interest in the property. Covers the full purchase price of the property and legal costs if a past title issue comes up.

Policy: A written legal agreement (i.e., contract) between an insurance company and the owner of the policy (i.e., policyholder) that provides financial coverage for specific losses in return for fees (i.e., premium payments).

Premium rates: Price for a unit of insurance.

Real Estate Settlement Procedures Act (RESPA): A federal law that offers guidance for certain real estate settlement procedures. For more information about RESPA, visit: <https://www.consumerfinance.gov/compliance/compliance-resources/mortgage-resources/real-estate-settlement-procedures-act/>

Recording: Officially entering a real estate or property transaction document into the public record.

Simultaneous issue: When an owner's and lender's title insurance policies are issued at the same time. The premium could be lower if policies are issued at the same time.

Title: A legal right to own, possess, use, control, enjoy, and dispose of real estate or a right or interest therein.

CONSUMER GUIDE TO **TITLE INSURANCE**

GLOSSARY OF TERMS AND DEFINITIONS CONTINUED

Title agent: A person licensed to issue title insurance. This person reviews property histories, determines if the property can be insured, and issues title insurance reports or policies. They also handle money, such as premiums or escrow funds, manage escrow accounts and closings, negotiate title insurance deals, and take care of closing paperwork.⁵

⁵ **Drafting Note:** *If a jurisdiction uses different terminology, such as “producer” instead of “agent,” this definition can be modified accordingly.*

Title insurance: A contract that provides financial protection for past title problems that come up after you buy or refinance a property.

Title insurance report: A preliminary report, statement, or agreement issued before a title insurance policy that outlines the terms, conditions, exceptions, and other relevant details the title insurer is willing to accept for issuing the policy.

Title insurer: An insurance company that underwrites and provides title insurance policies to protect against financial loss due to issues with a property’s title.

Title Report: The results of the title examination. These results include what, if anything, needs to be fixed to make sure the property can be sold without problems. Note that a title report does not say whether a property can be sold or insured.

Title search and examination: The process of reviewing recorded documents about a property to see if the seller has the legal right to sell it and whether there are any problems, like debts or legal claims, that could affect the sale.