



FORMS AND RATES BULLETIN NO. 27

TITLE INSURANCE FILING REQUIREMENTS

TO: ALL INSURANCE COMPANIES WRITING TITLE INSURANCE

FROM: Karen Weldin Stewart, Insurance Commissioner
State of Delaware Insurance Department

I. Purpose

The Department recognizes the unique nature of title insurance and the manner by which title insurance is sold in Delaware. The purpose of this bulletin is to provide guidance to title rating organizations in making current and future filings on behalf of their member insurers as well as for insurers who are not members of a title rating organization. This bulletin rewrites and supersedes Bulletin No. 27 dated November 14, 2003

II. General Propositions

Title 18 Chapter 25 of the Delaware Code was amended to allow title insurers to form a Delaware rating organization or bureau. The title rating bureau or organization is allowed to operate pursuant to 18 *Del. C.* § 2511, Forms and Rates Bulletin No. 5, promulgated under the authority of 18 *Del. C.* §§ 315 and 2501 et, seq., specified the framework under which advisory/rating organizations and participating insurers in advisory/rating organizations will operate in a loss cost system.

Due the unique nature of the title insurance market in Delaware, the Delaware Title Insurance Rating Bureau ("Bureau") is granted an exemption from the filing format prescribed in Bulletin No. 5. The Bureau shall be permitted to file a rating format that is consistent with the rate making approach used by title insurance rating bureaus in other states.

III. FILING GUIDANCE — RATING BUREAU

The Department recognizes the unique nature of title insurance and the difficulties that poses for title insurance rating bureaus and will, therefore, allow an exception to the requirements of using the rating format (loss cost) prescribed in Bulletin No. 5. However, the Bureau must have an approved statistical plan in place. The plan should allow for collection and aggregation of sufficient premium, loss and expense data to enable the Delaware Insurance Department to monitor rate adequacy.

For all Bureau filings subsequent to the initial filing, aggregated data, including expense data, should be supplied in support of proposed rates.

Applicable fees associated with forms and rates should accompany the filings in accordance with 18 *Del. C.* § 702.

IV. Filing Guidance — Non Bureau Insurers

All insurers that are not members of the Bureau should file rates and forms with the Department of Insurance as in past years with the applicable fees associated in accordance with 18 *Del. C.* § 702.

V. Cost of Review

The Delaware Insurance Department utilizes the services of an outside actuarial firm to review its rate filings. The cost associated with the review of aggregated company data filed with the Department will be borne by the Bureau or any insurer not a member of the Bureau.

DATED: September 2, 2010

s/_____
Karen Weldin Stewart, CIR-ML
Insurance Commissioner