

LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

BULLETIN NO. 09-05

TO: ALL TITLE INSURANCE COMPANIES, TITLE INSURANCE PRODUCERS AND TITLE INSURANCE PRODUCER AGENCIES

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

RE: TITLE INSURANCE POLICIES WRITTEN ON PROPERTY LOCATED IN LOUISIANA MUST COMPLY WITH THE PROVISIONS OF THE LOUISIANA TITLE INSURANCE ACT, LSA-R.S. 22:511 ET SEQ.

DATE: MARCH 3, 2009

Bulletin No. 09-05 is directed to the attention of all title insurance companies, title insurance producers and title insurance producer agencies licensed to write title insurance in the state of Louisiana.

It has come to the attention of the Louisiana Department of Insurance that some title insurance companies, title insurance producers and/or title insurance producer agencies may have acted in such a manner as to cause the issuance of title insurance policies without conforming to the strict provisions of the Louisiana Title Insurance Act, specifically LSA-R.S. 22:512 (17)(b)(vi) (Redesignated from LSA-R.S. 22:2092.2 by Acts 2008, No. 415, eff. January 1, 2009).

Some title insurance companies, title insurance producers and/or title insurance producer agencies may have issued a title insurance report or policy of title insurance for a closing or settlement regarding immovable property located in the state of Louisiana without such title insurance report or title insurance policy being based on an examination of title that was reduced to writing and conducted by an attorney duly licensed and authorized to practice law in the state of Louisiana.

LSA-R.S. 22:512 (17)(b)(vi) states:

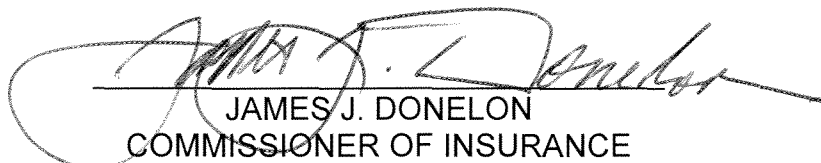
“Examining titles; however, any title insurance report or title insurance policy relating to immovable property shall be based upon an examination of title which shall be conducted only by attorneys duly licensed and authorized to practice law in Louisiana. The examination and resulting opinion, if it furnishes the basis of a title insurance report or title insurance policy relating to immovable property, shall be reduced to writing by the attorney. The title opinion shall contain the following:

- (aa) Complete names of individuals with an ownership or other interest in the property.
- (bb) Complete list of all encumbrances, mortgages, judgments, liens and privileges. This list shall contain the name of secured creditors, date filed, amounts, and recordation information.
- (cc) Complete list of all servitudes, rights-of-way, leases, options, rights of first refusal, and usufructs encumbering the property.
- (dd) Legal description of property examined.
- (ee) Any curative measures which are required in order to render title merchantable.
- (ff) All parish and municipal property taxes which are past due.
- (gg) Length of examiner’s search and date of earliest recorded instrument reviewed by the examiner.
- (hh) Name and attorney bar roll number of the examining attorney.”

The Louisiana Department of Insurance will steadfastly demand and strictly enforce compliance with the Louisiana Title Insurance Act. Any violation of the Louisiana Title Insurance Act in these regards will be grounds to cause the Certificate of Authority issued to the title insurance company, or the producer license issued to the title insurance producer or the title insurance producer agency to be subject to suspension or revocation. In addition to the above sanctions, or in lieu thereof, the Commissioner may assess a civil fine in accordance with the provisions of the Louisiana Insurance Code. All title insurance companies, title insurance producers and title insurance producer agencies are directed to conduct themselves accordingly and to bring their practices into immediate compliance with the strict, unequivocal and mandatory requirements of the Louisiana Title Insurance Act, and specifically LSA-R.S. 22:512 (17)(b)(vi).

If you have any questions regarding Bulletin No. 09-05 you may contact the Division of Legal Services at (225) 342-4673; or the Office of Property and Casualty at (225) 342-1258.

Baton Rouge, Louisiana, this 3rd day of March, 2009.


JAMES J. DONELON
COMMISSIONER OF INSURANCE