



STATE CORPORATION COMMISSION

BUREAU OF INSURANCE

September 10, 1987

**ADMINISTRATIVE LETTER
1987-12**

TO: All Companies Licensed to Write Title Insurance in Virginia and All Licensed Title Insurance Agents in Virginia

RE: Revision to Title Insurance Financial Responsibility Requirement

During the 1986 Session, the Virginia General Assembly amended the Code of Virginia as it relates to title insurance agents' qualifications. The language in § 38.2-1814.1 requires that in addition to being appointed to sell title insurance by a title insurance company, every title insurance agent must comply with additional requirements. One of the requirements is that every agent shall annually supply the Commission with adequate proof of financial responsibility in a manner selected by the Commission.

On December 29, 1986, the Bureau of Insurance issued Administrative Letter 1986-23 which stated that in order to meet the financial responsibility requirements of § 38.2-1814.1, "the applicant shall file and keep in force a bond with the Commission in favor of the Commonwealth in the penal sum of \$25,000 with authorized corporate sureties approved by the Commission".

It has come to the Bureau's attention that it has become very difficult for some title insurance agents to obtain a surety bond to comply with the law as directed in the administrative letter.

After further review of this issue, effective immediately, the Commission will no longer require a title insurance agent to file and keep in force a surety bond to satisfy the requirements of § 38.2-1814.1.

A valid title insurance agent's appointment by a title insurance company pursuant to § 38.2-1833 shall be deemed by the Commission to satisfy the requirements of adequate proof of financial responsibility.

Sincerely yours,

Steven T. Foster
Commissioner of Insurance

STF:bt