

Arkansas Insurance Department

Mike Beebe
Governor



Julie Benafield Bowman
Commissioner

BULLETIN NO.: 8-2007

DATE: December 1, 2007

TO: ALL TITLE INSURANCE LICENSEES, TRADE ORGANIZATIONS,
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS,
AND OTHER INTERESTED PARTIES.

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: IMPLEMENTATION OF ACT 684 of 2007, ARKANSAS CODE
ANNOTATED § 23-103-401 *et seq.*: TITLE INSURANCE
TRANSITION

This bulletin is intended to provide guidance to title insurance licensees and other affected members of the title insurance industry with the implementation of Arkansas's newly enacted title insurance law relating to licensing. This bulletin highlights some transitional issues to be aware of during the transfer of jurisdiction from the Arkansas Title Agents' Licensing Board to the Arkansas Insurance Department as established by Act 684 of 2007.

Licensing:

Act 684 of 2007, the "Arkansas Title Insurance Act," codified at Ark. Code Ann. § 23-103-401, *et seq.*, makes significant changes to the statutory definitions of those persons allowed to be licensed as a title agent or title agency in Arkansas. The Arkansas Insurance Department strongly advises all title licensees or other interested persons to review the recent legislative changes. Each title agent should be fully aware of all changes and how licenses will be affected. Act 684 can be accessed at www.arkleg.state.ar.us/. Rules 87 and 88 are also available on the Department's website at <http://www.insurance.arkansas.gov/Legal%20Dataservices/rnrpage.htm> and should be read in conjunction with Act 684.

In the recently passed Act 684 of 2007, Section 11 (not codified) has caused some confusion. Section 11 reads as follows:

"Every person who holds a license granted under § 23-103-101 -- § 23-103-316 and who meets the definition of a title insurance agent under § 23-103-402 shall be exempt from examination under § 23-64-202(a)(1) upon the payment of the renewal license fee and shall be issued a title insurance agent license if that person applies for a license on or before December 31, 2007."

Any title license granted by the Arkansas Title Insurance Agents' Licensing Board (the "Title Board") on or before December 31, 2007, for the year 2007 will be eligible for renewal by the Arkansas Insurance Department (the "Department") for the year 2008 as long as the licensee meets the residency and background check requirements. As of December 31, 2007, the Title Board will no longer have jurisdiction over title licensees and the repeal of §§ 23-103-101 -- 23-103-316 will take effect as the Arkansas Title Insurance Act, codified at Ark. Code Ann. § 23-103-401 *et seq.*, becomes the controlling statutory authority also giving the Department jurisdiction over title licensees.

Current title licenses are set to expire on January 31, 2008. Application for renewal of these licenses will be made through the Department, on forms provided by the Department, and should be mailed by December 31, 2007. This renewal date will only be effective for the year 2008. Renewals of licenses in 2009, and in subsequent years, will be set as the licensee's birth date.

Please be advised that under Act 684, non-resident individuals will only qualify for a title insurance license if they are employed by a resident title licensee in addition to meeting the background check requirement. Specifically, see Ark. Code Ann. § 23-103-402(11)(A).

License renewal packages will be mailed to current licensees. Licensed title insurance agent who have not received the renewal package by mid-December 2007, should contact the License Division at 501-371-2750. The license renewal package for each individual presently licensed with the Board will include a title insurance license application and a criminal background form for each licensee to complete. Along with these forms, payment of \$35 for licensing fees and \$22 for the criminal background check must be included. The background search will be required once and will not be repeated at renewal. The renewal package will contain more detailed instructions.

Any application for a new title license on or after January 1, 2008, shall be made to the License Division of the Department and will be governed by the Arkansas Title Insurance Act, codified at Ark. Code Ann. § 23-103-401 *et seq.* Information can be found online at <http://insurance.arkansas.gov>. Click on *License Division* and then follow instructions on the page.

For some examples of what does and does not constitute the sale, solicitation, and negotiation of insurance with specific regard to triggering the need for a license, see http://www.insurance.arkansas.gov/License/LicenseDivisionFiles/clerical_vs_agents.pdf.

Testing:

Examination will be provided by vendor Promissor/Pearson Vue. Once an exam permit is received from the Department, the applicant must contact Promissor at 1-888-204-6259 or www.promissor.com to schedule a test date. The test date cannot be scheduled until the applicant has the permit in hand.

The exam may be scheduled for any day, Tuesday through Saturday, at various locations. Please check www.promissor.com for more information.

E-mail Notification/Alerts:

The Department periodically issues Legal Notices, including Rules, Directives, Bulletins, and Notices of Hearings. These Legal Notices are not physically mailed to each licensee; they are made available on the Department website. To receive Alerts of publication of Legal Notices, please sign up for electronic mail notification at <http://www.insurance.arkansas.gov/Legal%20Dataseservices/divpage.htm> .

Any licensing questions should be directed to the Arkansas Insurance Department License Division, 1200 West Third Street, Little Rock, AR 72201, at 501-371-2750 or e-mail to insurance.license@arkansas.gov .

Insurers are required to furnish a copy of this Bulletin to all appointed title agents and title agencies.

(signed by Julie Benafield Bowman)

(December 1, 2007)

JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS

DATE