
**Rules of
Department of Insurance,
Financial Institutions and
Professional Registration
Division 500—Property and Casualty
Chapter 7—Title**

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**Title 20—DEPARTMENT OF
INSURANCE, FINANCIAL
INSTITUTIONS AND
PROFESSIONAL REGISTRATION
Division 500—Property and Casualty
Chapter 7—Title**

20 CSR 500-7.020 Scope and Definitions

PURPOSE: This rule sets out the scope of the rules in this chapter and provides definitions to aid in the interpretation of the rules in this chapter.

(1) Applicability of Rules. The rules in this chapter apply to title insurers, title agencies and title agents transacting the business of insurance in this state under Chapter 381, RSMo. The rules shall be read together with Chapter 536, RSMo.

(2) Definitions. As used in this chapter, the following terms shall mean:

(A) “Closing protection letter,” a letter issued on behalf of a title insurer, which indemnifies a buyer, lender, or seller solely against losses not to exceed the amount of settlement funds because of the acts set forth in section 381.058, RSMo;

(B) “Closing protection fee,” the consideration paid by or on behalf of the buyer, borrower, lender, or seller for a closing protection letter calculated from the rate filed with the director;

(C) “Director,” the director of the department;

(D) “Department,” the Department of Insurance, Financial Institutions and Professional Registration;

(E) “Material transaction,” a single transaction with a monetary value of one hundred dollars (\$100) or more, or the aggregate of any series of transactions with a monetary value of six hundred dollars (\$600) or more, during the reporting period and which are between the agency and a party with a financial interest in the agency or in which the agency holds a financial interest. Material transactions shall not include:

1. Employee salaries or bonuses; or
2. Profit distributions in proportion to financial interests; or
3. Any payment reflected on a settlement statement or pursuant to an escrow agreement; or
4. Any payment to a realtor for commission;

(F) “Residential real estate transaction,” the sale, purchase, financing, or refinancing of a house or other dwelling designed principally for the occupancy of from one to four (1–4) families, but does not include transactions involving real estate designed for business, commercial, or agricultural purposes;

(G) “Title insurance premium,” the premium in a title insurance transaction;

(H) “Title service charge,” any charge as defined in 20 CSR 500-7.100, except for any closing protection fee or any fee for the handling of escrows, settlements, or closing;

(I) “Premium,” as defined in section 381.031.14, RSMo 1994, and reviewed under section 381.171, RSMo 1994; and

(J) “Price estimate,” a good faith estimate or prediction of prices based upon information presented at the time of the estimate.

AUTHORITY: section 374.045, RSMo 2000 and section 381.042, RSMo Supp. 2007. Emergency rule filed Jan. 16, 2008, effective Jan. 28, 2008, expired July 14, 2008. Original rule filed Jan. 16, 2008, effective Sept. 30, 2008.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995 and 381.042, RSMo 2000, amended 2007.*

20 CSR 500-7.030 General Instructions

PURPOSE: This rule prescribes the general filing requirements for the rules in this chapter.

(1) Filing and Report Forms. The following forms are incorporated by reference and approved for filing with the department. The forms contain no later amendments or additions and are available to the public for inspection and copying at the department’s website at www.insurance.mo.gov or at the department offices at 301 West High Street, Room 530, Jefferson City, MO 65101.

(A) The Title Insurance Premium and Title Service Charge Disclosure form (Form T-1), revised on June 25, 2008, or any form which substantially comports with the specified form.

(B) The Notice of Availability of Owner’s Title Insurance form (Form T-2), revised on January 17, 2008, or any form which substantially comports with the specified form.

(C) The Notice of Closing or Settlement Risk form (Form T-3), revised on June 25, 2008, or any form which substantially comports with the specified form.

(D) The Affiliated Business Disclosure form (Form T-4), approved by the United States Housing and Urban Development on

November 15, 1996, in Appendix D to 24 CFR part 3500, or any form which substantially comports with the specified form.

(E) The Agency Financial Interest Report form (Form T-5A), revised on June 26, 2008, or any form which substantially comports with the specified form.

(F) The Affiliated Business Arrangement Report form (Form T-5B), revised on June 26, 2008, or any form which substantially comports with the specified form.

(G) The Uniform Premium (Risk Rate) Report form (Form T-7), revised January 1, 2008, or any form which substantially comports with the specified form.

(H) The Seller’s Closing Protection Letter form (Form T-8 and Form T-8alt), revised on January 17, 2008, or any form which substantially comports with the specified form.

(I) The Buyer’s or Lender’s Closing Protection Letter form (Form T-9 and Form T-9alt), revised on January 17, 2008, or any form which substantially comports with the specified form.

(J) The Title Plant Registration form (Form T-12), revised on May 21, 2008, or any form which substantially comports with the specified form.

(2) Location. Reports and filings required under this chapter shall be delivered to the Insurance Market Regulation Division, Room 530, 301 W. High Street, Jefferson City, Missouri 65101.

(3) Filing Fees. All reports, filings, or amendments to reports required to be filed by title insurers under this chapter shall be accompanied by a filing fee of fifty dollars (\$50) as required by section 374.230(5), RSMo.

AUTHORITY: section 374.045, RSMo 2000 and section 381.042, RSMo Supp. 2007. Emergency rule filed Jan. 16, 2008, effective Jan. 28, 2008, expired July 14, 2008. Original rule filed Jan. 16, 2008, effective Sept. 30, 2008.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995 and 381.042, RSMo 2000, amended 2007.*

20 CSR 500-7.050 Disclosure of Premiums and Charges

PURPOSE: This rule implements the disclosure of material price information pursuant to sections 381.019 and 375.144, RSMo.

(1) Disclosure with Title Order.



(A) When a prospective purchaser of title insurance or other party to the residential real estate transaction contacts a title insurer, title agency, or title agent to order a title insurance policy, the following price estimate must be disclosed:

1. Title insurance premium as calculated based upon the filed title insurance risk rate(s);
2. Closing protection fee as calculated based upon the filed closing protection rate;
3. Title service charges including, but not limited to, abstracts and search and examination fees; and
4. Closing or settlement charges.

(B) The above items, if applicable, may be disclosed orally or in writing.

(C) If the above prices are disclosed, the amount may also be totaled.

(D) Upon further inquiry or request by a prospective purchaser of title insurance or other party to the residential real estate transaction for explanation, the title insurer, title agency, or title agent may disclose orally that title premium and closing protection fee are determined by rate schedules filed with the state, but if so disclosed, shall at the same time also disclose that the title service charges, closing charges, and other charges are not filed with the state.

(E) If the title insurer, title agency, or title agent discloses the above information in writing when giving a price estimate, the following disclosure statement (Form T-1), or a statement that substantially comports with the following, is acceptable:

Title Insurance Premium and Title Service Charge Disclosure Statement

To: _____

Based upon the information available to us at this time, we estimate that you will pay, as part of your residential real estate transaction, the following premiums, charges, and/or fees:

- 1) Title insurance premium _____
- 2) Closing protection fee(s) _____
- 3) Title service charge(s) (i.e., search and examination, clearing items, etc.) _____
- 4) Closing charge(s) _____

Title insurance premium and a closing protection fee have been calculated according to rates filed with the Missouri Department of Insurance, Financial Institutions and Professional Registration. However, title service charges, closing charges, and other fees are not limited by state law.

For further general information regarding title insurance, you may visit the Missouri Insurance website at www.insurance.mo.gov, or call the Missouri Department of Insurance, Financial Institutions and Professional Registration at (800) 726-7390.

Date

Title Agent

(2) Disclosure at a Residential Real Estate Closing. Title insurance premium, fee and charge disclosure at the closing of a residential real estate transaction shall be made in the following manner:

(A) Closings that involve use of a HUD-1 form.

1. Premium should be the only amount totaled on the "Title Insurance" line, usually line 1108. If multiple title insurance policies

are reflected in the "Title Insurance" line, the premium amounts associated with each title insurance policy shall be distinguished on the HUD-1 form on a line other than the "Title Insurance" line.



2. Other charges including, but not limited to, the closing protection fee, abstract or title search and examination fees, escrow, settlement or closing fees, or other associated charges or fees shall be listed on lines other than the “Title Insurance” line; or

(B) Closings that do not require use of a HUD-1 form. Disclosure shall be made on a disclosure form in substantially the same format as the form set forth in subsection (1)(E) of this rule, but with final price detail and an acknowledgement of receipt by the purchaser.

(3) Misleading or Confusing Terms in Marketing Materials.

(A) Title insurers, title agencies and title agents shall not use the terms “rate,” “card rate,” “premium” or other terms of similar import in marketing materials to describe an all-inclusive title insurance price, which aggregates both:

1. Premium; and

2. Charges that may be negotiable in the particular transaction.

(B) The total amount in subsection (1)(C) of this rule may be described in terms which convey both premium and charges, such as “total cost for title insurance and services” or “total cost for title insurance and charges.”

AUTHORITY: section 374.045, RSMo 2000 and sections 381.019 and 381.042, RSMo Supp. 2007. Emergency rule filed Jan. 16, 2008, effective Jan. 28, 2008, expired July 14, 2008. Original rule filed Jan. 16, 2008, effective Sept. 30, 2008.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995; 381.019, RSMo 2007; and 381.042, RSMo 2000, amended 2007.*

20 CSR 500-7.060 Disclosure of Coverage Limitation

PURPOSE: This regulation prescribes requirements for customer disclosure for limitations of coverage in some circumstances.

(1) Lender’s Title Insurance Limitation. Pursuant to section 381.015.2, RSMo, in those purchase transactions where a lender’s title insurance policy is to be issued simultaneously with the purchase of all or part of the real estate securing the loan and where no owner’s title insurance policy has been requested, a title insurer, title agency, or title agent shall give written notice that the lender’s title insurance policy does not provide title insurance protection to the purchaser-mortgagor, and that the purchaser-mortgagor may obtain an owner’s title insurance

policy within sixty (60) days of closing at a specified or approximate cost. The disclosure shall be made using a Notice of Availability of Owner’s Title Insurance form (Form T-2), or any form that substantially comports with the specified form.

(2) Closing and Settlement Risk.

(A) Title insurers, agencies and agents making disclosure under subsections 5 and 6 of section 381.022, RSMo, may make this disclosure to the unprotected person with a Notice of Closing or Settlement Risk form (Form T-3), or any form that substantially comports with the specified form.

(B) The authority of a title insurer under section 381.058.3, RSMo, to issue a closing protection letter extends only to transactions in which it is issuing a title insurance policy and its issuing agent or agency is performing closing or settlement services.

AUTHORITY: section 374.045, RSMo 2000 and sections 381.015, 381.022, and 381.042, RSMo Supp. 2007. Emergency rule filed Jan. 16, 2008, effective Jan. 28, 2008, expired July 14, 2008. Original rule filed Jan. 16, 2008, effective Sept. 30, 2008.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995; 381.015, RSMo 2000, amended 2007; 381.022, RSMo 2000, amended 2007; and 381.042, RSMo 2000, amended 2007.*

20 CSR 500-7.070 Affiliated Business Arrangements

PURPOSE: This regulation prescribes requirements for disclosure to customers and reporting to the director of affiliated business arrangements.

(1) Disclosure to Customer.

(A) It is unlawful for a title insurer, title agency or title agent to accept an order for title services from any producer with an affiliated business arrangement, unless contemporaneous with the referral, the title insurer, title agency or title agent discloses the affiliated business arrangement or has taken reasonable steps to verify that the producer has disclosed the arrangement. Disclosure to its customer of the existence of the affiliated business arrangement may be made by using the Affiliated Business Disclosure form (Form T-4), or any form that substantially comports with the specified form.

(B) The disclosure required by this rule may be made in combination with all disclosures made under rule 20 CSR 500-7.050.

(2) Annual Reports.

(A) The Agency Financial Interest Report.

1. Title agencies are required under section 381.029.3, RSMo, to report the agency’s owners, the agency’s ownership interests in other persons or businesses, and material transactions between the parties. Such report shall be filed with the department by March 31 of each year using The Agency Financial Interest Report (Form T-5A). Title agencies shall update and resubmit this Form T-5A within thirty (30) days of any material change to the information submitted regarding the agency’s financial interests, parties with financial interests in the agency, or parties with financial interests in the insurer, agency, or agent who are producers or associates of producers.

2. Information related to material transactions collected pursuant to Form T-5A will be treated by the department as a trade secret as defined by section 417.453(4), RSMo, inasmuch as such information possesses economic value by virtue of its confidential status; the same or like information is unavailable through other sources; and insurers have made reasonable efforts to maintain the confidentiality of the data. As such, all information submitted pursuant to Form T-5A, shall be considered confidential communications and immune from requests made under Chapter 610, RSMo, nor shall such information otherwise be made available to the public or unauthorized individuals except in response to a valid court order.

(B) The Affiliated Business Arrangement Report. Title insurers, agencies, and agents are required under section 381.029.4, RSMo, to file reports with the director setting forth the names and addresses of any persons with a financial interest in the insurer, agency, or agent, which the insurer, agency, or agent knows to be producers or associates of producers, except the duty to report shall not include shareholders of record of any publicly-traded insurer. Such report shall be filed with the department by March 31 of each year using The Affiliated Business Arrangement Report (Form T-5B).

AUTHORITY: section 374.045, RSMo 2000 and sections 381.029.3 and 381.042, RSMo Supp. 2007. Emergency rule filed Jan. 16, 2008, effective Jan. 28, 2008, expired July 14, 2008. Original rule filed Jan. 16, 2008, effective Sept. 30, 2008.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995; 381.029, RSMo 2007; and 381.042, RSMo 2000, amended 2007.*



20 CSR 500-7.090 Special Circumstances for Policy Delay

PURPOSE: This regulation prescribes the special circumstances which may delay compliance with the requirement that title policies be issued within forty-five (45) days after compliance with the requirements of the commitment.

(1) "Meeting the requirements," means the receipt of documents or completion of tasks set out in the requirements section of the commitment or Schedule B-1; or, if the commitment does not have requirements, then receipt of documents and/or completion of tasks required by the closing instructions to create the estate to be insured.

(2) A title policy must be issued within forty-five (45) days after meeting the requirements of the commitment, except in the following circumstances:

(A) The title insurer, title agency or title agent has filed, in the office of the recorder of deeds, the deed and/or security instruments, but the deed and/or security instruments have not yet been recorded; or

(B) Commitment, policy, recording costs, and other fees have not been paid to the title agent or agency; or

(C) Commitment, policy, recording costs, and other fees have not been paid to the insurer if the policy is to be issued directly by the insurer.

(3) A title insurer, title agency or title agent has the burden of proving any exception under this rule.

AUTHORITY: section 374.045, RSMo 2000 and sections 381.038 and 381.042, RSMo Supp. 2007. Emergency rule filed Jan. 16, 2008, effective Jan. 28, 2008, expired July 14, 2008. Original rule filed Jan. 16, 2008, effective Sept. 30, 2008.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995; 381.038, RSMo 2000, amended 2007; and 381.042, RSMo 2000, amended 2007.*

20 CSR 500-7.100 Rate Schedules

PURPOSE: This regulation prescribes procedures to be followed by title insurers when filing rate schedules with the director.

(1) Definitions. As used in this regulation, the following terms shall mean:

(A) Charge means any fee charged to the insured, or paid for the benefit of the insured, for the performance of title-related services other than the risk rate charged for title insurance. This charge shall include, but not be limited to, fees for abstracts, title search and examination and handling of escrows, settlements, or closings; and

(B) Risk rate means the total consideration paid by or on behalf of the insured for a title insurance policy. Risk rate shall include the title insurance agent's commission but shall not include any charge as defined in subsection (1)(A).

(2) Filing of Rates.

(A) Title Insurance Rates. Every title insurer licensed in Missouri shall file with the director as required by section 381.181, RSMo 1994, a completed title insurance rate reporting form for the risk rates it proposes to use in each county of this state and each city not within a county in this state. Rate schedules filed under this rule must comply with section 381.171, RSMo 1994. The effective date for these rates shall be no earlier than the thirtieth day following the receipt of the form by the director.

(B) Filing Form. The Uniform Premium (Risk Rate) Report form (Form T-7) sets forth a risk rate reporting format to be utilized by title insurers in this state for the respective types of title insurance contracts. When computing insurance premiums on a fractional thousand of insurance (except as to minimum premiums), multiply those fractional thousands by the rate per thousand applicable, considering any fraction of one hundred dollars (\$100) as a full one hundred dollars (\$100). The form can be accessed at the department's website at www.insurance.mo.gov or at the department offices.

(C) Closing Protection Rates. Every title insurer shall file with the director rates for closing protection letters applicable to residential real estate transactions. Rates for closing protection letters in residential real estate transactions shall meet the following standards:

1. Rates shall not be excessive or inadequate;

2. Rates are excessive if, in the aggregate, they are likely to produce a long run profit that is unreasonably high in relation to the risk of the business or if expenses are unreasonably high in relation to the services rendered;

3. Rates are inadequate if they are clearly insufficient, together with investment income attributable to them, to sustain projected losses and expenses or if continued use of such rates will have the effect of substantially lessening competition or the effect of tending to create a monopoly;

4. Rate filing standards apply separately to closing protection letters issued under section 381.058.3(2)-(3), RSMo;

5. The rate filing shall document the anticipated losses, expenses, and profits underlying the rates and provide appropriate actuarial support for the data, methods, and assumptions;

6. Expected losses for rates do not include losses that result in a title insurance claim; and

7. Rates shall reflect expected fiduciary practices under current law and losses incurred in another state or under prior fiduciary practices may only be used if adjusted to reflect prospective Missouri fiduciary practices.

AUTHORITY: section 374.045, RSMo 2000 and sections 381.042 and 381.058, RSMo Supp. 2007. This rule was previously filed as 4 CSR 190-20.011. Original rule filed Jan. 14, 1982, effective June 1, 1982. Amended Filed Sept. 6, 1988, effective Jan. 16, 1989. Emergency rescission filed July 28, 1989, effective Aug. 7, 1989, expired Dec. 4, 1989. Emergency amendment filed Jan. 16, 2008, effective Jan. 28, 2008, expired July 14, 2008. Amended: Filed Jan. 16, 2008, effective Sept. 30, 2008.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995; 381.042, RSMo 2000, amended 2007; and 381.058, RSMo 2000, amended 2007.*

20 CSR 500-7.130 Insurance and Closing Protection Form Filings

PURPOSE: This regulation prescribes requirements for forms to be used in this state and filing procedures with the director.

(1) Title Insurance Commitments, Policies and Other Forms.

(A) No title insurer in this state shall issue or agree to issue any standard form of title insurance binder, title insurance commitment, preliminary report, title insurance policy, title insurance form endorsement, other contract of title insurance or any related form unless the forms have been filed with the director as required by section 381.085, RSMo. A form is standard if the form is to be applied in more than one (1) instance. The



filing must be received by the director at least thirty (30) days before the use of the form.

(B) No policy, standard form endorsement or simultaneous instrument which provides title insurance coverage shall be issued unless it contains the premium collected for the issuance of the policy as calculated from the filed risk rate for the policy.

(2) Closing Protection Letters.

(A) No title insurer, agency or agent in this state shall issue or agree to issue a closing protection letter unless the form has been filed with the director as required by section 381.085, RSMo. The filing shall be received by the director at least thirty (30) days before the use of the form.

(B) The terms of coverage of closing protection letters used to satisfy the requirements of section 381.022.5 or 381.058, RSMo, shall be consistent with the applicable Closing Protection Letter form (Form T-8 or Form T-9), or any form that substantially comports with the specified form, approved by the director in rule 20 CSR 500-7.030. Any such form may be modified by the insurer by striking the two (2) provisions that limit liability to five (5) million dollars.

(3) Filing Fees. The filing fee for forms filed under this rule is fifty dollars (\$50) per filing as required by section 374.230(5), RSMo.

(4) Insured closing letters issued pursuant to sections 381.400 to 381.405, RSMo, are not closing protection letters for purposes of this rule. Insured closing letters shall not be used to satisfy the requirements of section 381.022.5 or 381.058, RSMo. Insured closing letters are not required to be filed with the director under section 381.085, RSMo, unless a fee is charged for the insured closing letter.

AUTHORITY: section 374.045, RSMo 2000 and sections 381.042 and 381.085, RSMo Supp. 2007. Emergency rule filed Jan. 16, 2008, effective Jan. 28, 2008, expired July 14, 2008. Original rule filed Jan. 16, 2008, effective Sept. 30, 2008.*

**Original authority: 374.045, RSMo 1967, amended 1993, 1995; 381.042, RSMo 2000, amended 2007; and 381.085, RSMo 2000, amended 2007.*

20 CSR 500-7.200 Standards for Policy Issuance

PURPOSE: This rule implements section 381.071, RSMo 2000 relating to the duties of a title insurance company before writing a title insurance policy.

(1) Examination of Title. Before a title insurance policy is written, the title insurer or its licensed agent shall cause a search of the title which is to be insured. The search of the title shall be based upon evidence prepared from a current set of records maintained in order to show all matters affecting the title to the property or interest which is to be insured for a continuous period of not less than the immediate past forty-five (45) years, except for the time table allowed by section 381.071.1(1), RSMo (Cum. Supp. 1989) for a gradual compliance. The set of records used in the search of the title shall be indexed geographically and shall encompass all properties in the county for which the set of records is maintained.

(2) Exceptions.

(A) An attorney licensed to practice law in this state is not required to base an examination of title upon a set of records geographically indexed if s/he personally inspected the best title evidence available.

(B) If a set of records geographically indexed is not in existence in the county where the property subject to examination of title is located, the title insurance policy shall be based upon the best title evidence available.

(C) If evidence for an examination of title cannot be obtained from a set of records geographically indexed at a reasonable charge or within a reasonable period of time, the title insurance policy shall be based upon the best title evidence available.

(D) The best title evidence available is that evidence which a reasonable and prudent person would depend upon in the conduct of his/her own affairs as determined by the circumstances in existence in the county where the subject property is located.

(3) Documentation.

(A) The individual who performed the examination of title on behalf of the title insurer shall verify in a written statement where s/he obtained the evidence used in the examination of title. If the title examiner followed any of the exceptions as stated in section (2) of this regulation, s/he shall state in the written statement, in clear and specific terms, the reasons for following any exception.

(B) The written statement required by subsection (3)(A) of this regulation shall be placed in and made a part of the title insurance company's files or that of its agent or agency for a period of not less than fifteen (15) years after the title insurance policy has been issued.

(C) The director shall maintain a Missouri title plant registry. Any entities which can be defined as a title plant pursuant to section 381.031(22), RSMo Cum. Supp. 1989, shall annually file with the director a registration statement in a Title Plant Registration form (Form T-12), or any form that substantially comports with the specified form. No filing fee is mandated. Form T-12 can be accessed at the department's website at www.insurance.mo.gov or at the department offices.

AUTHORITY: section 374.045, RSMo 2000 and section 381.042, RSMo Supp. 2007. This rule was previously filed as 4 CSR 190-20.060. Original rule filed Dec. 1, 1989, effective June 29, 1990. Amended: Filed April 23, 1999, effective Nov. 30, 1999. Emergency amendment filed Jan. 16, 2008, effective Jan. 28, 2008, expired July 14, 2008. Amended: Filed Jan. 16, 2008, effective Sept. 30, 2008.*

**Original authority 374.045, RSMo 1967, amended 1993, 1995 and 381.042, RSMo 2000, amended 2007.*