



ADMINISTRATIVE RULES OF MONTANA

6.6.2203 REBATES AND INDUCEMENTS

- (1) "Rebate" means the payment or return of any charge or any portion thereof of the amount constituting the total rate for title insurance or services constituting the business of title insurance or the rates on file with the commissioner to any person.
- (2) "Inducements" entail the following activities or practices:
 - (a) furnishing title information in written form without charge or at a charge less than the applicable rate filing. However, cancellation of a title commitment due to the failure of any party to complete the transaction at a charge determined by an underwriter's filed rate schedule shall not be considered an inducement;
 - (b) furnishing information packets, listing kits or hybrid forms of title information;
 - (c) paying or offering to pay any charges which constitute an obligation of any producer of title business for the cancellation of an existing title insurance order with a competing company;
 - (d) furnishing escrow, closing, or settlement services for a charge (independent of the rate charged for involved title insurance) less than the reasonable cost of so providing;
 - (e) deferring any payment for insurance or services, including title commitments or preliminary reports, otherwise due or payable for more than 60 days;
 - (f) furnishing or offering to furnish services not reasonably related to bona fide insurance or escrow, closing, or settlement transactions, including, but not limited to:
 - (i) computer services;
 - (ii) nonrelated delivery services;
 - (iii) mailing services;
 - (iv) accounting assistance; or
 - (v) the referral of legal matters to an attorney with whom the title company has a referral arrangement, unless disclosure is made of that fact and the customer has been advised that the attorney is an agent of the title company and does not represent the individual;
 - (g) renting or offering to rent as either landlord or tenant at a rental favorable to any producer of title business, title insurer, title insurance producer, or any employee or agent of any of the aforementioned, as compared with terms otherwise generally available;
 - (h) providing or paying for, as an inducement, the sale of title insurance or escrow services of any of the following non-exclusive items:

- (i) credit extensions;
 - (ii) prizes;
 - (iii) vacations;
 - (iv) travel expenses;
 - (v) membership or registration fees; or
 - (vi) lodging; and
 - (i) depositing funds, whether interest bearing or not, with a credit or lending institution based on an understanding that title insurance business will be referred to a particular agent or insurer.
- (3) A title insurer or title insurance producer may furnish a single copy of a "property profile" relating to the ownership and status of title to real property.
- (a) A property profile may include only the following six items:
 - (i) the last vesting deed of record;
 - (ii) deeds of trust or mortgages which have not been reconveyed or released;
 - (iii) a plat map reproduction and/or a map showing the location of the property with or without driving directions;
 - (iv) a copy of restrictive covenants filed with the plat map;
 - (v) real estate tax information; and
 - (vi) property characteristics such as number of rooms, square footage and year built.
 - (b) A property profile may include no more than the six above-described items of information and shall not include market value information, demographics, or additions, addenda, or attachments which may be construed as conclusions reached by the title insurer or title insurance producer regarding matters of marketable ownership or encumbrances. A generic cover letter with the printed standard letterhead of the title insurer or title insurance producer must be attached to the property profile. The cover letter may include a brief statement identifying by name only, which of the six permitted items of information are attached thereto. The cover letter may also contain a disclaimer as to conclusions of marketable ownership or encumbrances. The content of the cover letter or property profile is strictly limited to the foregoing and shall specifically not include any advertising or marketing for the benefit of the recipient.
 - (c) Market value information, demographics, or other additions, addenda, or attachments may be provided, but only upon receipt of a charge commensurate with the actual cost of the work performed and the material furnished.
- (4) A title insurance agent, who is also a licensed attorney rendering any legal services in the transaction insured, must render a separate legal billing therefor. The escrow fees shall not include such legal services.

Implementing statute(s): 33-18-210, 33-25-202, and 33-25-401, MCA

History: NEW, 1986 MAR p. 783, Eff. 5/16/86; AMD, 2003 MAR p. 2752, Eff. 12/12/03.