

State of Idaho
DEPARTMENT OF INSURANCE

CECIL D ANDRUS
Governor

500 South 10th Street
Boise, Idaho 83720
Phone (208)334-2250

ANTHONY J FAGIANO
Acting Director

B U L L E T I N NO. 88-2

TO: ALL TITLE INSURANCE COMPANIES AND TITLE INSURANCE AGENTS

FROM: ANTHONY J. FAGIANO, ACTING DIRECTOR
DEPARTMENT OF INSURANCE

SUBJECT: VIOLATIONS OF THE ANTI-REBATE AND ANTI-ILLEGAL INDUCEMENT PROVISIONS OF THE INSURANCE CODE AND INSURANCE REGULATIONS

DATE: JANUARY 12, 1988

The Department of Insurance has recently received numerous inquiries concerning suspected rebates in the title insurance industry. Please review Sections 41-2708(3) and 41-1314, Idaho Code, as well as Department of Insurance Regulation No. 25, Sections 3.12 and 4.41. These provisions clearly set out anti-rebate and anti-illegal inducement laws.

The Department views the following examples as violations of the anti-rebate and anti-illegal inducement laws:

A realtor refers his clients to a Title company for their title insurance business. For this referral the Realtor receives a portion of the fee the Title company charges for the services rendered by the Title company.

A Realty company requests a Title company to sponsor a lavish open house for the Realty company. The Title company sponsors the open house.

Companies and agents violating these anti-rebate and anti-illegal inducement provisions will be fined and/or have their license suspended or revoked.

The purpose of these anti-rebate and anti-illegal inducement provisions is to prohibit unfair trade practices. Unfair trade practices include the giving back of portions of fees charged and the giving of anything of value (i.e., paying for an open house or dinner party) in order to obtain business.

DEPARTMENT OF INSURANCE
STATE OF IDAHO



ANTHONY J. FAGIANO
Acting Director