

# **“Florida Unlawful Inducements Rule – Referral Fees – Bulletin to Agents”**

By: WFG National Title Insurance Company (2/26/16)

On January 20, 2016, the Department of Financial Services adopted Rule 69B-186.010 titled Unlawful Inducements Related to Title Insurance Transactions (“Rule”). The effective date of the Rule is February 9, 2016.

The Rule sets forth activities and circumstances that constitute unlawful inducements for the sale, placement or referral of title insurance. The list is not exhaustive and is intended as examples only. However, after reviewing the Rule, there should be no surprises in the list of prohibited activities. Paragraph (3) of the Rule defines the term “referrer of settlement service business”; and sub-paragraphs (4)(a) – (e) list the activities that will constitute unlawful inducements for the sale, placement or referral of title insurance in violation of the Rule if performed by any “referrer of settlement service business.”

Subparagraphs (5)(a) – (f) of the Rule provide a list of activities that do not constitute unlawful inducements for the sale, placement or referral of title insurance and will not be a violation of the Rule. Specifically, subparagraph (5)(d) authorizes “marketing activities”. While you may engage in marketing activities, you CANNOT pay for the marketing activities of your customers.

Violations of the Rule could subject you and your agency to fines and/or license suspension.