Title Chat
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The Federal Government May Want to Go into the Insurance Business

A bill has been reintroduced in Congress that would create a federal insurance regulator within the Treasury Department and would allow for the creation of federal insurance charters for insurance companies and agencies. The bill includes a definition of title insurance and appears to provide that non-title insurers cannot enter into the title insurance business. The ALTA website (www.alta.org) contains a reference to the bill as well as a link to the bill itself that is some 330 pages long.

The bill provides that its purpose is to-

1. Establish a comprehensive system of federal chartering, licensing, regulation, and supervision of insurers and insurance producers that is independent of the state system of insurance licensing and regulation, yet requires federally chartered insurers and producers to comply with certain state laws, including state tax laws;
2. Create an Office of National Insurance within the Department of the Treasury; and
3. Provide for the appointment of a Commissioner of National Insurance, who would be authorized to;
   - (i) issue federal charters and licenses to insurers and insurance producers;
   - (ii) exclusively regulate and supervise the operations and solvency of federally chartered or licensed insurers and producers on a uniform, nationwide basis, including the conduct of insurers and producers with policyholders;
   - (iii) protect the interests of policyholders by establishing a program of federal receiverships, which would require federally chartered insurers to participate in qualified state guaranty funds.

Comment: ALTA has stated its opposition to the bill at the present time. We will Chat again if the bill passes through Congress.

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