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STATE OF WISCONSIN  
DEPARTMENT OF STATE  
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DEC 1 1975

DOUGLAS LAFOLLETTE  
SECRETARY OF STATE

STATE OF WISCONSIN )  
OFFICE OF THE COMMISSIONER OF INSURANCE) ss.

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Harold R. Wilde, Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order adopting a rule prohibiting certain practices in title insurance was issued by this office on November 28, 1975.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto subscribed ~~my name~~ in the City of Madison, State of Wisconsin, this 28th day of November, 1975.



Harold R. Wilde  
Commissioner of Insurance

STATE OF WISCONSIN  
DEPARTMENT OF STATE  
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DOUGLAS LAFOLLETTE  
SECRETARY OF STATE

ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE

Adopting Rules

Pursuant to authority vested in the Commissioner of Insurance by section 601.41 (3), Wis. Stats., the Commissioner of Insurance hereby adopts a rule as follows:

Section Ins 3.32 of the Wisconsin Administrative Code is created to read:

Ins 3.32 Title Insurance - Prohibited Practices. (1) PURPOSE.

This rule implements and interprets sections 207.03, 207.04 and 601.01 (3), Wis. Stats., for the purpose of prohibiting unfair practices in the transaction of the business of title insurance.

(2) SCOPE. This rule shall apply to all operations of title insurers which write the type of insurance authorized by section 201.04 (8), Wis. Stats.

(3) DEFINITIONS. (a) Title insurer as used in this rule means all insurance companies authorized to write title insurance as defined by section 201.04 (8), Wis. Stats., and includes all officers and employees of such insurance companies, all agents or representatives of such insurance companies, and all affiliated entities including the officers and employees of such affiliated entities.

(b) Affiliated entity as used in this rule means any person or business entity who, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with, a title insurance company.

(c) Such person as used in this rule means any of the following,

other than a title insurer or affiliated entity as defined herein, who order or influence, directly or indirectly, the ordering of title insurance and related services:

1. any owner or prospective owner of real or personal property or any interest therein;

2. any lender or prospective lender in a transaction involving an obligation secured or to be secured either in whole or in part by real or personal property or any interest therein; and

3. any agent, representative, attorney or employee of any owner or prospective owner or of any lender or prospective lender.

(d) Title insurance rates as used in this rule means all charges made by a title insurer in connection with the issuance of a title insurance policy or a commitment to issue a title insurance policy and specifically includes search and examination charges and all other charges.

(e) Supplementary rate information as used in this rule has the meaning as defined in s. 625.02 (1), Wis. Stats.

(4) PROHIBITED PRACTICES. No title insurer shall engage in any of the following practices. (a) Charging an amount for a title insurance policy or commitment for a title insurance policy other than the amount developed by application of the appropriate title insurance rate developed from the rates and supplementary rate information on file with the commissioner for use by the title insurer.

(b) Waiving, or offering to waive, all or any part of the applicable title insurance rate or premium developed by proper application of the appropriate title insurance rate developed from the rates and supplementary rate information on file with the commissioner.

(c) Charging a reduced title insurance rate under a so-called "take-off" or subdivision policy when the property involved is ineligible for such reduced rate.

(d) Charging a reduced title insurance rate under a so-called "take-off" or subdivision policy when such rate is not applicable in the particular transaction because the volume required to qualify for such reduced rate includes ineligible property.

(e) Paying, or offering to pay, the cancellation fee, the fee for a preliminary title report or other fee on behalf of any such person after inducing such person to cancel an order with another title insurer.

(f) Making or guaranteeing, or offering to make or guarantee, either directly or indirectly, any loan to any such person, regardless of the terms of the note or guarantee. This prohibition is not applicable to customary business collection procedures, claims settlement and salvage activities and other business activities totally unrelated to the solicitation of business for which a charge is made.

(g) Providing, or offering to provide, either directly or indirectly, a "compensating balance" or deposit in a lending institution either for the express or implied purpose of influencing the extension of credit by such lending institution to any such person, or for the express or implied purpose of influencing the placement or channeling of title insurance business by such lending institution. This shall not be construed to prohibit the maintenance by a title insurer of such demand deposits or escrow deposits as are reasonably necessary for use in the ordinary course of business of such title insurer.

(h) Paying, or offering to pay, the fees or charges of an outside

professional (e.g., an attorney, engineer, appraiser, or surveyor) whose services are required by any such person to structure or complete a particular transaction.

(i) Paying, or offering to pay, all or any part of the salary of any employe of any such person.

(j) Paying, or offering to pay, any fee to any such person for any services unless such fee bears a reasonable relation to the services performed.

(k) Paying for, or offering to pay for, services by any such person which services are required to be performed by such person in his capacity as a real estate or mortgage broker or salesperson or agent.

(l) Furnishing or offering to furnish, or paying for or offering to pay for, furniture, office supplies, telephones, equipment or automobiles to any such person, or paying for, or offering to pay for, any portion of the cost of renting, leasing, operating or maintaining any of the aforementioned items. Marketing and title insurance promotional items clearly of an advertising nature of token or nominal value, or supplies such as title insurance application blanks and related forms are not within the purview of this prohibition provided they are made available to all such persons on the same terms and conditions.

(m) Paying for, furnishing, or waiving, or offering to pay for, furnish, or waive, all or any part of the rent for space occupied by any such person.

(n) Renting, or offering to rent, space from any such person, regardless of the purpose, at a rent which is excessive when compared with rents for comparable space in the geographic area, or paying, or offering

to pay, rent based in whole or in part on the volume of business generated by any such person except for a bona fide percentage lease based on the total volume of receipts of the title entity when the services of that title entity are offered from that location to the public generally.

(e) Paying for, or offering to pay for, gifts, vacations, business trips, convention expenses, travel expenses, membership fees, registration fees, lodging or meals on behalf of any such person, directly or indirectly, or supplying letters of credit, credit cards or any such benefits to any such person for any purpose whatsoever. This prohibition is directed at prohibiting special favors to certain customers. It is not intended to preclude reasonable and customary business entertainment and trade association activities and expenses incurred by the title insurer in the course of marketing its products and services. Moderate expenditures for food, meals, beverages and entertainment may be made, if correctly claimed and properly substantiated as a legitimate business expense.

(p) Paying for, or offering to pay for, money, prizes or other things of value for any such person in any kind of a contest or promotional endeavor. This prohibition applies whether or not the offer or payment of a benefit relates to the number of title orders placed or escrows opened with a title insurer or group of such insurers. It does not apply to offers or payments to trade associations, charitable or other functions where the thing of value is in the nature of a contribution or donation rather than a business solicitation.

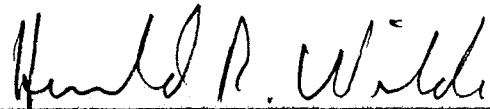
(q) Paying for, or offering to pay for, any advertising concerning the title insurer which is to appear in a pamphlet, magazine, brochure, or any other advertising material promoted or distributed, with or without cost by any such person. Examples of this kind of advertising material are

advertisements appearing in newsletters distributed by real estate brokers, tract brochures issued by land developers or builders, or jointly sponsored promotional magazines. This prohibition does not apply to brochures or other promotional items of the title insurer used in the marketing of its own products, to advertising in trade media or other media not promoted or solicited by such persons, nor to other forms of advertising provided the expected benefit to be derived from customers generally is fairly equivalent to the expense incurred.

(r) Paying for or furnishing, or offering to pay for or furnish any brochures, billboards, or advertisements of such persons, products or services appearing in newspapers, on the radio, or on television, or other advertising or promotional material published or distributed by, or on behalf of, any such person.

(5) PENALTY. Any violation of this rule shall subject the title insurer to the penalties and forfeitures provided by section 601.64, Wis. Stats.

Dated at Madison, Wisconsin this 28th day of November, 1975.



Harold R. Wilde  
Commissioner of Insurance