

**HOW DFPR'S DIVISION OF FINANCIAL INSTITUTIONS PROTECTS CONSUMERS**

The Illinois Department of Financial and Professional Regulation's (IDFPR) **Division of Financial Institutions (DFI)** has a number of key responsibilities including the following:

- ⇒ **LICENSING** — Financial institutions operating in Illinois must be licensed or chartered in accordance with various laws. DFI pursues unlicensed entities to protect consumers against fraud, theft and other abuses.
- ⇒ **APPLICATION REVIEW**— DFI reviews license applications and renewals to ensure all licensing or chartering requirements are met by lenders, depository institutions, creditors and other licensees.
- ⇒ **EXAMINATIONS**— DFI examines financial institutions as mandated by law, along with incorporating additional exams when warranted to ensure operations are financially sound and functioning as required.
- ⇒ **EDUCATION**— DFI works to educate consumers, build financial literacy and support consumer awareness by participating in seminars and other educational forums.
- ⇒ **INVESTIGATIONS**— DFI investigates complaints against financial institutions operating in Illinois.
- ⇒ **DISCIPLINARY ACTIONS**— DFI will take action against financial institutions that violate the law or fail to meet business license requirements, including: suspension, corrective action plans, or revocation.
- ⇒ **LEGISLATION**— DFI sponsors legislation that it believes will better protect and safeguard consumers. DFI works with the Governor, legislators and numerous stakeholders to collaborate on proposals.

**TITLE INSURANCE SECTION BACKGROUND & OVERVIEW**

Title insurance in America goes as far back as 1876, following a historic 1868 Pennsylvania case— Watson v. Muirhead. Watson purchased real estate, relying upon the conveyer to report all claims against the property that would prevent him from owning it free and clear. Unfortunately, judgments against a previous owner were not reported, which entitled collectors to make claim to the property. Watson sued, but the court determined the conveyor had not been negligent in failing to report all claims.

Title insurance soon after became available to sellers and prospective buyers, protecting buyers from claims and defects in their property title and to protect sellers against lawsuits for defective titles.

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In 1901, the Illinois General Assembly passed the Title Insurance Act ("Act") to establish a set of requirements that all title insurance companies must adhere to when doing business in Illinois.

The Title Insurance Act requires the Department of Financial and Professional Regulation (IDFPR) to annually examine each title insurance company's financial condition and operations. Examinations are conducted by the DFI's **Title Insurance Section**, part of the agency's **Division of Financial Institutions** ("DFI"). These exams ensure each underwriter is in compliance with the Act, the adopted rules and regulations, and all other applicable state laws.

Bruce Rauner  
Governor

Bryan A. Schneider  
Secretary

**Illinois Department of Financial & Professional Regulation (IDFPR)**

Division of Financial Institutions (DFI)  
Francisco Menchaca  
Director



**Title Insurance Section**

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IDFPR's website:  
[www.idfpr.com/](http://www.idfpr.com/)

DFI's web page:  
[www.idfpr.com/DFI/default.asp](http://www.idfpr.com/DFI/default.asp)

Title Section:  
[www.idfpr.com/DFI/TitleInsur/titleinsur\\_main.asp](http://www.idfpr.com/DFI/TitleInsur/titleinsur_main.asp)

## **Title Insurance Section FAQs**

Q: What are the duties and responsibilities of the Title Insurance Section?

A: The Title Insurance section licenses, certifies, registers and regulates title insurance companies and their registered title agents. The section examines title insurance companies annually to ensure they meet requirements of the Illinois' Title Insurance Act. The Title Insurance section examines the operations and management of all title insurance companies operating in Illinois. Additionally, the Section verifies the financial stability of the title insurance companies and ensures they are financially sound.

Q: What does it mean to have "title" to a property?

A: Title is the lawfully recognized ownership by an individual or entity to a parcel of property. Title to real property in Illinois is documented and recorded by the county recorder of deeds where the property is situated.

Q: What is title insurance?

A: Title insurance is financial protection against loss resulting from defects, or legal encumbrances placed against the title to real property. Title insurance policies outline the specific terms, conditions, and exclusions of the title insurance coverage.

Q: What are title insurance companies?

A. A Title Insurance Company's purpose is to guarantee, insure, and warrant real estate titles in Illinois, whether the company is organized under the laws of Illinois, another state's laws, the laws of the District of Columbia, or the laws of a foreign government.

Q: What are title insurance agents?

A. Insurance agents are companies or individuals registered by title insurance underwriters to conduct real estate transactions in Illinois.

## **Title Insurance FAQ's, Continued**

Q: How does title insurance differ from other common types of insurance?

A: Life, health, homeowners insurance and other common types of insurance protect against potential or future events. Title insurance protects against past events connected to the real property or to a previous owner that can compromise the title held by the current owner. For example, liens placed against a property, due to a debt owed by a previous owner, can negatively impact a current owner's title to the property in question.

Q: How many active title insurance companies (underwriters) are authorized to conduct business in Illinois?

A: Currently there are 17 title insurance companies authorized to operate in Illinois.

Q: How many active title insurance agents are authorized to conduct business in Illinois?

A: Currently, there are just over 17,400 title insurance agents authorized to operate in Illinois.

Q: Must title insurance underwriters be licensed to lawfully conduct business in Illinois?

A: Yes. For more information about the application process, please contact the Title Insurance section supervisor at (312) 814-3622, or section examiner at (312) 814-4505.

Q: Must title insurance agents be licensed to lawfully conduct business in Illinois?

A: No. But title agents must be registered with DFPR by a licensed title insurance underwriter. A title insurance agent may represent one or more of the title insurance companies operating in Illinois, when designated by a title insurance company to provide services.

## **Title Insurance FAQ's, Continued**

Q: How can I search or get a list of title insurance companies and agents authorized to conduct business in Illinois?

A: Visit our website at: [www.idfpr.com/DFI/TitleInsur/TISearch.asp](http://www.idfpr.com/DFI/TitleInsur/TISearch.asp). Click on the "title company search" button without entering a name, for a complete list of companies, or type a specific name to verify whether a company is an approved underwriter. To search for title agents, you must enter either a city, state, or specific name before clicking the "agent search" button.

### **IDFPR WORKS TO SAFEGUARD CONSUMERS**

- ◆ **PROTECTING AGAINST FINANCIAL EXPLOITATION— IDFPR is joining the Department on Aging (DoA) to implement measures that will protect elder individuals from financial exploitation and abuse. Offenders can include strangers posing as utility personnel to rob homes, scammers pushing phony products and services; family members strong-arming elders in handing over funds with threats of harm, or the withholding of basic care. All seek to exploit seniors who may be facing diminishing health, or fears common to those who are aging. DFI is working to educate licensees about the emerging problem of elder exploitation and to take added steps to protect seniors with whom they come into contact.**