BREAKING NEWS!
New Restrictions on Title Marketing Activities

The California State Legislature has passed a new law (SB 133) that changes the way a Title Marketing Representative (“Marketing Manager”) can solicit title business from real estate agents, brokers, lenders, escrow officers, buyers, sellers or anyone that directs title and escrow transactions (“Industry Participants”). The new law becomes effective January 1, 2009 and applies to ALL Title Companies and ALL Marketing Managers in the State of California.

“What does the new law mean for Industry Participants?”

Certain activities that Marketing Managers are currently engaged in will no longer be allowed under this new legislation.

Activities that are prohibited under the new law (effective January 1, 2009):

- Marketing Managers cannot provide educational classes and materials exclusively related to the business of title insurance or escrow; HOWEVER, the Marketing Manager cannot provide educational credits, food or drinks during the seminar.
- Marketing Managers may not engage in any prohibited activity through a separate entity controlled by the Marketing Manager or the Marketing Manager’s employer.

What does the SB133 mean for Marketing Managers?

- All Marketing Managers will now be licensed by the Department of Insurance (DOI) in the State of California.
- Marketing Managers will be subject to personal fines, possible license suspension or license revocation if they are found in violation of the new law.
- Title Companies are also subject to possible fines and other penalties should an employee violates the law.
- If a Marketing Manager’s license is revoked, the Marketing Manager will not be able to apply for reinstatement of his/her license for a period of 5 years.
- Marketing Manager CAN provide promotional items with (1) a “permanently affixed” title company logo AND (2) the promotional item has a “value” of not more than ten dollars ($10).

Be in the know about the new law and don’t hesitate to ask your Marketing Manager for more details!