Title Chat

Volume 25, December 2003

Illegal Rebates Can Be Costly

A news brief published by the American Land Title Association on December 3, 2003, tells of action taken by the California Insurance Commissioner against a title company that was found to be involved in illegal marketing activities. The activities involved different types of payments or inducements valued in excess of $455,000 offered to realtors who were then expected to direct business to the title company.

Nothing new in the facts—heard similar stories before and nothing happens.

In this case the title company was penalized with an 18-month license restriction and was fined $1 million.

The Commissioner was quoted in the article as stating:

> These illegal rebates offered to real estate agents and brokers do nothing for the consumer… In these difficult economic times it is absolutely essential that consumers be offered a competitive market, not one in which illegal inducements are used to unfairly steer business to one title insurer.

Happy holidays to your and yours!

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