

INSURANCE DEPARTMENT OF THE STATE OF NEW YORK
PROPOSED REGULATION NO. _____
11 NYCRR

TITLE INSURANCE REGULATION

I, Eric R. Dinallo, Superintendent of Insurance of the State of New York, pursuant to the authority granted by Sections 201, 301, 308, 309, 2303, 2306, 2313, 2314, 2316, 2324, 2402, 2403, 2405, 2406, 2502, 6401, 6402, 6403, 6404, 6405, 6406, 6407, 6408, 6409, 6410 and 6411 of the Insurance Law, do hereby promulgate Part ____ of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Regulation #____), to take effect 90 days after publication in the State Register, to read as follows:

S x.0 Preamble and Purpose

- (a) Title insurance protects property owners and other persons lawfully interested in real property and chattels real against potential losses that could result from a claim or dispute regarding title in such property. It is illegal for title insurance corporations to deviate from their filed and approved rates. It is also illegal for title insurance corporations, or any person or entity acting for or on behalf of title insurance corporations, including title insurance agents, to give among other things, illegal rebates or inducements.
- (b) **[INTENTIONALLY DELETED] *Endnote 1.***
- (c) In order to protect the general public **to promote a healthy and competitive market, and to address and prevent abuses and illegal practices in the title insurance industry, relating to the issuance of title insurance, the rules and standards in this Part are hereby adopted. *Endnote 2.***
- (d) The purpose of this Part is to provide the State of New York with robust and effective regulation and supervision of the title insurance industry, including title insurance corporations authorized to write title insurance in this State, and title insurance agents appointed to perform title insurance business on behalf of those title insurance corporations. In addition to the applicable sections of the Insurance Law, and this Part, title insurance corporations **and agents** must comply with the Real Estate Settlement Procedures Act (“RESPA”), 12 U.S.C. Sec. 2607, as amended and Regulation X, 24 C.F.R. Sec. 3500 et seq., and **title insurance corporations must direct their title insurance agents to comply with those provisions in connection with those aspects of the title agent’s business which relates to the issuance of title insurance policies.**
- (e) **Nothing in this Part is intended to create a private right of action with respect to any provision of these regulations.**

S. x.1 Definitions

For purposes of this Part, the following definitions shall apply:

- a. “Abstract of title” or “abstract” means a written history, synopsis or summary of the recorded **and filed** instruments **and other matters** affecting the title to real property.
- b. “Control”, including the terms “controlling”, “controlled by”, and “under common control with”, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract (except a commercial contract for goods or non-management services) or otherwise; but no person shall be deemed to control another person solely **by** reason of his being an officer or director of such other person. Control shall be presumed to exist if any person directly or indirectly owns, controls or holds **or has** the power to vote ten percent or more of the voting securities of any other person.
- c. “Controlled business” or “Affiliated business” means any portion of a title insurance **company’s or a title insurance agent’s** business written in this State that is referred to it by a referrer of title insurance business or by an associate of the referrer, where the referrer or associate, or both, have a financial or other beneficial interest in the title insurance agent.
- d. **[INTENTIONALLY DELETED]**
- e. **“Escrow Deposit” means a written escrow agreement between a party or parties and the title insurance corporation or title insurance agent where written instruments, money, or other property is deposited by a party or parties with a title insurance corporation or title insurance agent to hold as a stakeholder only as set forth in the written escrow agreement as set forth in the written escrow agreement. *Endnote 3.***
- f. “Financial Interest” means a direct or indirect interest, legal or beneficial, where the holder of such interest is or will be entitle to any portion of the profits of the entity in which the interest is held.
- g. **“Recording Escrow” means money received for the purpose of immediate disbursement by the title insurance corporation or title insurance agent to pay recording fees, mortgage or transfer taxes due on the recording of instruments and for which no written agreement is required.**
- h. **“Security Deposit” means funds or other property received by the title insurance corporation or title insurance agent to secure an indemnitor’s obligation or to enable the payment of a lien or an encumbrance or received pursuant to another agreement, to permit a title insurance corporation or title insurance agent to provide coverage in the issuance of a title insurance policy.**

[NOTE FOR EASE OF COMPARISON WITH ORIGINAL DRAFT – NUMERS, ROMAN NUMERALS AND LETTERS ARE NOT CHANGED, EXCEPT FOR SEC. x.7]
ORIGINAL DRAFT – PAGE 3

- i. “Significant and multiple sources of business” means title insurance business that flows into **a title insurance corporation or** a title insurance **agent** from two or more non-affiliated, non-

controlled or non-owner business sources that constitute at least 70% of the total number of its title insurance policies issued in the then calendar year. *Endnote 4.*

- j. “Person” means an individual, partnership, limited liability company, firm, association, cooperative, corporation, joint-stock company, trust, any similar entity or any combination of the foregoing acting in concert.
- k. “Referral” or “Referrer” means the directing or exercising of any power over the placement of title insurance business by a person, whether or not the consent or approval of any other person is sought or obtained with respect to the referral.
- l. “Title insurance agent” or “title insurance agency” means an authorized person, who, on behalf of a title insurance corporation, performs the following functions, in conjunction with the issuance of a title insurance report or policy:
 - (1) Determines insurability and issues title insurance reports or policies, or both, based upon the performance or review of a title search, and
 - (2) Performs one or more of the following functions:
 - (i) Remits or disburses premiums or other funds; or
 - (ii) Solicits or negotiates the issuance of a title insurance policy
 - (3) Such term shall not include any bona fide officer or employee of an authorized title insurance corporation or of a title insurance agent.
 - (4) Such term shall include attorneys (“Examining Counsel”) who:
 - (i) Examine abstracts of title, survey and tax information;
 - (ii) Determine title curatives necessary for the removal of title defects; and
 - (iii) Attend closings and finalize documents for recording.
 - (5) Such term and this regulation shall be limited solely to the aspects of the title insurance agent’s business which are directly related to the issuance of title insurance policies on behalf of a title insurance corporation.
 - (6) Such term shall not include independent contractors who are not referrers of title insurance business to the title insurance corporation or title insurance agent. *Endnote 5.*
- m. “Title insurance business” means activities described in Section 6403 of the Insurance Law.
- n. “Title insurance policy” has the meaning specified in Section 6401(b) of the Insurance Law.
- o. “Title insurance report” means a preliminary report or preliminary commitment issued prior to the issuance of a title insurance policy containing the terms, conditions, exceptions and any other matters incorporated by reference under which the title insurer is willing to issue its title insurance policy.
- p. “Title insurance corporation” has the meaning specified in Section 6401(a) of the Insurance Law.
- q. “Underwrite” or “Underwriting” means the evaluation of the risk to be insured under the title insurance policy.

Sec. x.2 Duties of Title Insurance Corporations Utilizing the Services of Title Insurance Agents

- (a) No title insurance corporation shall accept business from a title insurance agent except pursuant to a written contract in accordance with Section x.3 of this Part, between the title insurance corporation and the title insurance agent that sets forth the responsibilities and division of the responsibilities of each party and, where both parties share responsibility for a particular function.
- (b) For each title insurance agent under contract with a title insurance corporation, a title insurance corporation shall have on file an annual independent financial statement, prepared by an independent auditor or accountant, in a form acceptable to the Superintendent, showing a true and accurate representation of the financial condition of each such title insurance agent.
- (c)(1) The title insurance corporation shall, at least annually, conduct an on-site review of the underwriting and escrow practices of the title insurance agent which shall include a review of the agent's policy blank inventory and of those accounts used for escrow, operating, premium remittance, recording and security deposit accounts.
- (2) Every title insurance corporation shall notify the superintendent of any suspected fraudulent activity in accordance with Article 4 of the Insurance Law, and any illegal payments, material discrepancies or any other violations of law found during or as a result of such on-site review and shall report such fraudulent activities or illegal payments material discrepancies or other violations of law and, where appropriate, take immediate steps to terminate the title insurance agent's contract.
- (d) A title insurance corporation that appoints a title insurance agent to act for or on behalf of it in this State, shall, within 30 days of the appointment of a title insurance agent, complete and file written notification of such appointment with the Superintendent on a form prescribed by the superintendent. An amended form shall be filed within 30 days after any change in the appointment, including termination of the appointment.
- (e) The title insurance corporation shall discontinue the title insurance agent's underwriting duties upon termination of the title insurance agent's appointment. Nothing in this subsection is intended to relieve the title insurance agent or title insurance corporation of any other contractual obligation. A title insurance corporation shall within 30 days of termination notify the superintendent of the termination of a title insurance agent and the reasons therefore.
- (f) The title insurance corporation shall maintain an inventory of all policies issued through each title insurance agent.
- (g) The title insurance corporation shall establish, and incorporate into the contract with its title insurance agents, a requirement that the agents comply with its underwriting guidelines and its prohibition on a title insurance agent's authority to bind the title insurance corporation regarding claims.
- (h) No title insurance corporation shall appoint to its board of directors, any of its title insurance agents or any officer, director, employee, controlling shareholder, or any partner, member or manager of any such title insurance agents. This subdivision shall not apply to relationships governed by articles 15 or 16 of the Insurance Law.

S x.3 Required Provisions for Contract Between Title Insurance Corporation and Title Insurance Agent

Every contract, as provided for in Section x.2 of this Part, shall provide at a minimum

that:

(a) the title insurance agent will **provide a report** to the title insurance corporation **detailing all policies issued on behalf of that title insurance corporation** and shall remit all funds due under the contract to the title insurance corporation on a regular basis as required by the title insurance corporation, but no less frequently than 60 days after receipt of funds.

(b) if the title insurance corporation does not receive remittance of all funds due under the contract, except for amounts in dispute, within the timeframe specified in subsection (a) of this section, the title insurance corporation must promptly advise the title insurance agent of such failure to remit, and if the title insurance agent fails to take immediate steps to remit the funds, **within 30 days of the title insurance agent's receipt of such notice**, the title insurance corporation shall promptly notify the Superintendent of such failure to remit, and the title insurance agent must be immediately terminated.

(c) all funds collected for the account of a title insurance corporation by a title insurance agent shall be held in a fiduciary capacity in the same manner as provided for in Section 20.3 of this Title (Regulation 29) with respect to insurance agents. This fiduciary account shall be used for all funds received by the title insurance agent in such capacity.

(d)(1) separate records of business written by the title insurance agent shall be maintained for each title insurance corporation with which the title insurance agent has a contract;

(2) the title insurance corporation shall have access to and a right to copy all accounts and records related to its business in a **format** useable to the title insurance corporation.

(3) the superintendent shall have access to all books, bank accounts and records of the title insurance corporation and the title insurance agent **for the prior six (6) calendar years in a format** usable to the superintendent; and

(4) **as applicable**, records shall be retained in accordance with Part 243 of this Title (Regulation 152) and this Part.

(e) the contract may not be assigned **or otherwise transferred**, in whole or in part by the title insurance agent without the expressed written consent of the title insurance corporation.

(f) the title insurance agent will follow appropriate insurer underwriting guidelines, relating to:

(1) the basis of the rates to be charged;

(2) **[INTENTIONALLY DELETED] Endnote 6.**

(3) the types of risks that may be underwritten;

(4) maximum limits of liability;

(5) territorial limitations;

(6) title searches and examinations; and

(7) **exceptions to title.**

(g) the title insurance agent shall not:

- (1) bind reinsurance or retrocessions on behalf of the title insurance corporation;
- (2) permit any director, officer, controlling shareholder, employee, partner, member or manager of the title insurance agent to serve on the title insurance corporation's board of directors. This subdivision shall not apply to relationships governed by articles 15 or 16 of the Insurance Law.
- (3) jointly employ an individual who is employed with the title insurance corporation unless the title insurance corporation and the title insurance agent are under common control as defined herein;
- (4) collect any payment from a reinsurer or commit the title insurance corporation to any claim settlement with a reinsurer without prior approval of the title insurance corporation. If prior approval is given, a report must be promptly forwarded to the title insurance corporation; or
- (5) bind title insurance corporations in the settlement of claims.

(h) the specific terms of the title insurance agent's **share of the premium to be remitted to the title insurance corporation** shall be clearly set forth in the contract.

(i) **the contract shall contain a requirement that the title insurance agent comply with the notice and disclosure requirements of Section x.4 of this Part.**

[INTENTIONALLY DELETED (1), (2), (3) and (4)] *Endnote 7.*

(j) the title insurance agent must maintain an inventory of all policies issued through the title insurance agent on behalf of the title insurance corporation.

(k) the title insurance agent shall maintain at all times **insurance in an amount as agreed upon between the underwriter and the agent covering errors or omissions on the part of such title insurance agent, and shall provide each title insurance corporation for which it issues title insurance policies a copy of the title insurance agent's Certificate of Liability Insurance, which Certificate shall list each underwriter as a "certificate holder". The insurance policy shall provide for a deductible as agreed upon between the underwriter and the agent for claims resulting from the title insurance agent's error or omissions. The title insurance corporation shall not reimburse or otherwise offset any amount of the deductible, nor shall the title insurance corporation indemnify the title insurance agent for any expenditures resulting from the title insurance agent's negligent or fraudulent acts or errors or omissions. Nothing in this Section shall preclude reimbursement to the title insurance corporation of monies advanced by the title insurance agent at the request of the title insurance corporation.**

(l) the title insurance corporation may terminate the contract upon written notice to the title insurance agent **pursuant to the terms and provisions of the contract and also** under the following circumstances:

- (1) fraud, material misrepresentation, insolvency, appointment of a receiver or conservator or bankruptcy;
- (2) material breach of any provision of the contract or any provision of this Part

or of the Insurance Law; or

(3) notice of termination has been provided in accordance with contract termination requirements.

(m) **[INTENTIONALLY DELETED – DUPLICATIVE OF OTHER TEXT]**

(n) **[INTENTIONALLY DELETED – DUPLICATIVE OF OTHER TEXT]**

Sec. x.4 Disclosures to Policyholders

(a) When making an offer to issue an owner's title insurance policy covering the sale of residential property, the title insurance corporation or its appointed title insurance agent shall furnish a title insurance report to the purchaser or the purchaser's representative prior to the scheduled date of closing. The report furnished to the purchaser or the purchaser's representative shall conspicuously display the following statement, or a statement containing substantially similar language, on the first page in bold type:

PLEASE READ THE EXCEPTIONS AND THE TERMS SHOWN OR REFERRED TO HEREIN CAREFULLY. THE EXCEPTIONS ARE MEANT TO PROVIDE YOU WITH NOTICE OF MATTERS, WHICH MAY NOT BE COVERED UNDER THE TERMS OF THE TITLE INSURANCE POLICY, AND SHOULD BE CAREFULLY CONSIDERED. EXCEPTIONS MAY BE AMENDED AND OTHER EXCEPTIONS MAY BE ADDED AT OR PRIOR TO CLOSING.

THIS REPORT IS NOT A TITLE INSURANCE POLICY. Endnote 8.

(b) When a title insurance corporation issues a loan policy on a mortgage made simultaneously with the purchase of all or part of the residential (one to four family) property securing the mortgage, where no owner's policy has been ordered, the title insurance corporation shall inform the borrower in writing that the mortgagee's policy does not protect the borrower, and that the borrower may obtain an owner's title insurance policy for his or her protection. This notice must be provided before disbursement of the loan proceeds and before issuance of the mortgagee's policy. The notice must be on a form approved by the Superintendent.

INTENTIONALLY DELETED (b)(1), (2) and (3) Endnote 9.

(c) Every title insurance corporation shall require that a copy of such notice, signed by the purchaser, is retained in the relevant title insurance agent's underwriting file in accordance with the requirements in Part 243 of this Title (Regulation 152) and this Part.

Sec. x.5 Affiliated/Controlled Business Arrangements

(a) A title insurance corporation shall require that its authorized title insurance agents provide to the title insurance corporation a record and report of: the title insurance agent's owners; the title insurance agent's ownership interests in other persons or businesses; and material transactions between the parties.

(b) A title insurance corporation shall require, initially and whenever there is a change, that its appointed title insurance agents file reports with the title insurance corporation

setting forth the names and addresses of those persons, or businesses, if any, in whom the title insurance agent has a financial interest and which the title insurance agent knows or has reason to believe:

- (1) engages in the business of buying or selling any interest in real property; and
- (2) acts as a real estate broker or agent, mortgage lender, mortgage banker, mortgage broker, or an agent, representative or attorney of a person who leases, buys or sells any interest in real property, or who lends or borrows money secured by an interest in real property.

(c) A title insurance corporation shall not accept a referral of title insurance business from any person who holds a financial interest of forty percent or more in that title insurance corporation, and no title insurance agent shall accept a referral of title insurance business from a person or any employee, agent, representative or attorney of such person, who has any financial interest in or controls that title insurance agent, unless the following are met at the time of the referral and at the time of the issuance of the title policy:

- (1) The person making the referral is not the sole source of business of the title insurance corporation or the title insurance agent;
- (2) The title insurance corporation or the title insurance agent has significant and multiple sources of business; and
- (3) Any money or other thing of value paid by the title insurance corporation or the title insurance agent to the person making the referral is based on such person's financial interest in the title insurance agent and is not related to the amount of business such person refers to the title insurance agent.
- (4) That the person making the referral of title insurance business discloses the referral in writing to the party being referred:
 - (i) that the person making the referral has a financial interest in the title insurance corporation or title insurance agent.
 - (ii) an estimate of the cost of the services of the title insurance corporation or title insurance agent, including, without limitation, the title insurance premium;
 - (iii) that the party being referred is not required to use the title insurance corporation or title insurance agent to which the party is being referred; and
 - (iv) that the person making the referral is not required to produce a specified amount of title insurance business; *Endnote 10.*

[INTENTIONALLY DELETED (C)(5) AND (6)]

Sec. x.6 Rebates, Inducements and Fees

(a) A title insurance corporation shall notify its appointed title insurance agents that they are required to comply with the provisions of the Insurance Law addressing rebates and inducements, including articles 23 and 64 of the Insurance Law and this Part.

(b) **INTENTIONALLY DELETED**

(c) A title insurance corporation shall, on its website, make its premium rates publicly available and accessible in a manner that permits a policyholder or applicant to independently determine the applicable premium.

(d) **INTENTIONALLY DELETED**

(e) The title insurance corporation shall **require** that all **of its** entertainment-related events, including but not limited to parties, trips, gifts and charitable contributions **that are hosted or disbursed by it, and the expenses therefrom do not violate the** rebating and inducement provisions, or any other provisions of the Insurance Law and this Title. All such expenses by the title insurance corporation must be included as applicable expenses in the title insurance corporation's annual statement as required by Part 105 of this Title (Regulation 30). Every title insurance corporation shall be responsible for retaining a complete list of attendees at all entertainment-related events hosted by the title insurance corporation and by its appointed title insurance agents, and a record of the amount of expenses incurred, in accordance with the requirements in Part 243 of this Title (Regulation 152) and this Part.

(f) Title insurance corporations shall **require that their agents, in connection with their agents' entertainment-related events, including but not limited to parties, trips, gifts and charitable contributions that are hosted or disbursed by their agents and the expenses therefrom do not violate the rebating and inducement provisions, or any other provisions of the Insurance Law and this Title. Every title insurance corporation shall require that its agents retain complete lists of attendees at all entertainment-related events hosted by the agents and a record of the amount of expenses incurred, in accordance with the requirements in Part 243 of this Title (Regulation 152) and this Part.**

(g) The title insurance corporation will require its title insurance agents to sign a certification in connection with the issuance of a policy that the premium charged for the policy is in accordance with the title insurance corporation's filed rates, that any additional charges are related to the work performed and are not excessive, and that all amounts being charged are set forth on the title insurance agent's invoice. ***Endnote 11.***

Sec. x.7 Conditions for Maintaining Escrow Deposit, Recording Escrow, and Security Deposit Accounts.

Every title insurance corporation and title insurance agent shall comply with the following requirements:

(a) All funds which constitute an escrow deposit, a recording escrow, or a security deposit shall be submitted for collection to or deposited in a separate fiduciary trust account or accounts in a licensed financial institution no later than the close of business of the second business day such funds are received, unless, except as to recording escrow, otherwise directed by the insured under the title insurance policy or its representative.

[INTENTIONALLY DELETED (a) (1) AND (2) ELSEWHERE AS IN SECTION REVISED]

(b) Funds held in a security deposit shall be disbursed only pursuant to a written agreement specifying:

- (i) the title insurance corporation or the title insurance agent's service charge, if any;**
- (ii) what actions shall be taken to satisfy obligations under the agreement; and**
- (iii) the duties of the title insurance corporation or title insurance agent with respect to the disposition of the funds held, including a requirement to maintain evidence of the disposition of the applicable title exception before any balance may be paid over to the depositing party or its designee.**

(c) Funds which comprise an escrow deposit or a security deposit:

- (i) shall be the property of the person or persons entitled to them under the provisions of the written escrow agreement and shall be segregated for each depository in the records of the title insurance corporation or the title insurance agent in a manner that permits the funds to be identified on an individual basis; and**
- (ii) shall be disbursed or applied only in accordance with the terms of the individual instructions or agreements under which the funds are held.**

(d) All funds which constitute an escrow deposit or a security deposit are to be disbursed only pursuant to a written agreement specifying:

- (i) what actions shall be taken to satisfy obligations under the agreement; and**
- (ii) the duties of the title insurance corporation or the title insurance agent with respect to disposition of the funds held, including a requirement to maintain evidence of the disposition of the title exception before any balance may be paid over to the depositing party or his or her designee.**

(e) [Original draft this is (d)] Any interest earned, if any, on funds deposited which constitute an escrow deposit or security deposit is to be paid, net of administrative costs, to the depositing party, unless the instructions for the funds or a governing statute provides otherwise, provided that the title insurance corporation or the title insurance agent first receives an IRS Form W-8 or W-9.

(f) [Original draft this is (e)] Disbursements from an escrow deposit, a security deposit, or a closing account are only made if deposits in amounts at least equal to the disbursement have first been made directly relating to the transaction disbursed against and if the deposits are in one of the following forms:

- (1) cash;**
- (2) wire transfers such that the funds are unconditionally received by the title insurance agent or the agent's depository;**
- (3) checks, drafts, negotiable orders of withdrawal, money orders and any other item that has been finally paid before any disbursements.**
- (4) a depository check, including a certified check, governed by the provisions of the Federal Expedited Funds Availability Act, 12 U.S.C. Sec. 4001, et seq; or**
- (5) credit transfers through the Automated Clearing House (ACH), which have been deemed available by the depository institution receiving the credits. The credits must conform to the operating rules set forth by the National Automated Clearing House Association (NACHA).**

(g) [Original draft this is (f)] If the title insurance agent is appointed by two or more title insurance corporations and maintains accounts in connection with recording deposits and security deposits received by it, each such title insurance corporation shall have access to the accounts of the title insurance agent, and all supporting information, in order to ascertain the safety and security of the funds held by the title insurance agent. Title insurance agents shall comply with New York's Abandoned Property Law.

(h) Escrow deposits, recording escrows and security deposits shall not be commingled with escrow deposits and shall be maintained in separate accounts. *Endnote 12.*

Sec. x.8 Premium Rates

Pursuant to articles 23 and 64 of the Insurance Law, every title insurance corporation or rate-service organization filing rates for title insurance shall include in its rate filing with the superintendent the appropriate rate formula upon which its rates are based, including provisions for expenses, losses and profit. *Endnote 13.*

Endnotes:

- 1. This paragraph is unnecessary and does not take into account that the title insurance corporations and the vast majority of title insurance agents are not involved in questionable practices.**
- 2. Agents should be licensed to enable the NYSID and title insurance corporations to have the necessary controls as to agents.**
- 3. Subparagraphs “e”, “g” and “h” have been added to Section x.1 to reflect industry practices.**
- 4. Amended to encompass newly formed entities.**
- 5. Amended to reflect industry practices.**
- 6. Requiring title insurance corporations to set commissions and fee schedules for their agents may be prohibited by laws as to the setting of prices.**
- 7. As amended, moved to Sec. x.5 (c) (4).**
- 8. Deleted text is duplicative.**
- 9. The deleted text requires the issuance of a legal opinion by an agent which is prohibited by regulations governing the unlawful practice of law and should be properly provided by counsel to the purchaser/borrower.**
- 10. Adds requirements for compliance in addition to disclosure, and also amended to include title insurance corporations within its scope in certain circumstances.**
- 11. Title insurance corporations will not be able to ensure that their agents comply with subsection (e) as originally drafted. A new subsection (f) has been added to the mark-up under which title insurance corporations would require compliance by their agents.**
- 12. Amended to conform to definitions added in Sec x.1 and they reflect industry practices.**
- 13. The deleted Section may be appropriate for other lines of insurance, such as property and casualty insurance, but for title insurance its application would result in an overwhelming increase in claims to the detriment of homeowners and other insureds, such as lenders, and insurers.**