

## COLORADO

### Non-Resident Individuals and Non-Resident Entities

Colorado is a Non-Resident Licensing State. Thus, applicants for a non-resident title agent license must meet four basic licensing requirements similar to those imposed by a majority of the states. The applicant must (1) hold a resident license in his or her home state and be in good standing; (2) submit the proper request for licensure and pay the required fees; (3) submit to the Commissioner either the license application previously submitted to his or her home state or a completed NAIC uniform application; and (4) be from a state that issues non-resident licenses of a similar line of authority on the same basis to Colorado residents. COLO. REV. STAT. § 10-2-502(1)-(3). If the applicant is a business entity, the principle office of the business must be located in a state other than Colorado for the applicant to qualify for a non-resident title agency license. *Id.* Colorado requires the non-resident licensee to “maintain a license in good standing in the person’s home state.” If at any time the non-resident’s home state license is suspended or revoked, the non-resident must notify the Commissioner and surrender the non-resident license. *Id.* § 10-2-502(4); see also *id.* § 10-2-804.

### Pre-licensing Education and/or Examination

Non-resident applicants who are currently licensed in another state are exempt from pre-licensing education and examination requirements. *Id.* § 10-2-403(1)(a)(I)(A).

### Minimum Paid-in Cash Capital or Net Worth

Title insurance agents in Colorado are required to possess actual paid-in cash capital (or, if an individual, a minimum net worth) of at least \$10,000. *Id.* § 10-11-116(2). This requirement can be satisfied if the applicant provides a written affidavit from a certified public accountant (CPA) stating the applicant possesses a title plant with an actual investment (or a combination of actual investment and paid-in cash capital/net worth) equaling or exceeding the minimum \$10,000. *Id.* § 10-11-116(3); 3 COLO. CODE REG. § 702-3(6)(B)(3).

If an agency has the required net worth, the application process is relatively straightforward and achievable. However, operating within the service industry, title professionals often have a negative balance sheet, and this \$10,000 net worth requirement is often a barrier to entry. Many title agencies have difficulty producing a positive balance sheet. Revolving lines of credit, debt, software loans, abstracting bills, and similar obligations can add up to debt-heavy balance sheets. Many smaller title insurance agencies have found the \$10,000 threshold prohibitive and have chosen to avoid licensing in Colorado for this reason.

### License Renewal Terms

Non-resident agencies are required to renew their license biennially. Non-resident individuals must renew their license biennially in the month of their birth. The renewal fee is \$60 per authority.

### Continuing Education

Colorado waives CE requirements for non-residents so long as the agent is in compliance with his or her home state’s requirement and that state similarly waives its CE requirements for Colorado residents. COLO. REV. STAT. § 10-2-501(2).

### Controlled Business

Colorado requires a title insurance agent to disclose to the Commissioner the names of all affiliated business arrangements to which the agent is a party. These disclosures must be made at the time of the initial application for a license, upon any license renewals, and upon a change to any identifying information. The title agent must disclose the physical location of the affiliated businesses, identify the settlement producer with whom the company or agent is associated, and identify the underwriter of the title insurance business. *Id.* § 10-2-401(6).

### Self-Reporting

Colorado requires self-reporting of administrative or disciplinary action taken by a Department of Insurance. The agent must report and submit appropriate documents within thirty (30) days of the final disposition of the matter. *Id.* § 10-2-801.

For additional information and application instructions and forms, visit Colorado’s Department of Regulatory Agencies, Division of Insurance website: <http://www.dora.state.co.us/insurance/>

## Title Agency Licensing and Business Requirements

|   |   |
|---|---|
| Agency Capitalization Required by State           | \$10,000 minimum cash capital OR \$10,000 net worth - COLO. REV. STAT. § 10-11-116(2); 3 CCR 702 Reg. 3-5-1 § 8 ~ Requirement may be satisfied by actual title plant investment - COLO. REV. STAT. § 10-11-116(3); 3 CCR 702 Reg. 3-5-1 § 8 |
| Agency Net Worth Required by State                | \$10,000 minimum cash capital OR \$10,000 net worth - COLO. REV. STAT. § 10-11-116(2); 3 CCR 702 Reg. 3-5-1 § 8 ~ Requirement may be satisfied by actual title plant investment - COLO. REV. STAT. § 10-11-116(3); 3 CCR 702 Reg. 3-5-1 § 8 |
| Title Plant Ownership/Access                      | Not Required  |
| Title Plant Costs Where Ownership/Access Required | N/A   |
| Controlled Business Considerations                | Disclosure only - COLO. REV. STAT. § 10-2-401(6)  |
| Agency Residency                                  | Not Required  |
| Registration with Department of State             | Required; Foreign Entities Allowed  |
| Individual Residency                              | Not Required  |
| Title Agency Naming Conventions                   | N/A   |
| E & O   | Not Required  |
| Fidelity  | Not Required  |
| Surety  | Not Required  |

| Residency Status   | Non-Residents          | Residents                                |
|--|------------------------|--|
| Title Agency Licensing   | Required               | Required                                 |
| Title Agency Licensing Fees                                    | \$93 license fee       | \$52 license fee                         |
| Title Agency Appointment by Underwriter                        | Not Required           | Not Required                             |
| Individual Title Insurance Producer Licensing                  | Required               | Required                                 |
| Individual Title Insurance Producer Licensing Fees             | \$112 license fee      | \$144 (\$71 license fee + \$73 exam fee) |
| Individual Title Insurance Producer Appointment by Underwriter | Not Required           | Not Required                             |
| Individual Title Insurance Producer Exam prior to Licensing    | Not Required           | Required                                 |
| Individual Title Producer Fingerprints and/or Background Check | Not Required           | Not Required                             |
| Individual Title Producer Continuing Education (“CE”)          | Not Required           | Not Required                             |
| Agency Renewal Term  | Biennially             | Biennially                               |
| Agent Renewal Term   | Birth month biennially | Birth month biennially                   |
| Reciprocity Exam   | N/A                    |  |
| Reciprocity Continuing Education                               | N/A                    |  |
| Retaliatory Issues   | N/A                    |  |
| Separate Escrow License/Registration                           | Not Required           |  |
| Separate Escrow License/Registration for Non-Title Agent       | Not Required           |  |
| Escrow Accounts  | Not Required           |  |

|                                |  |
|--------------------------------|--|
| Audit                          | N/A  |
| Financial Reporting            | Not Required   |
| Agent Filings                  | Closing and settlement services only   |
| Underwriter Filed Escrow Rates | Yes - COLO. REV. STAT. § 10-11-118   |
| Attorney Involvement           | N/A  |
| Special Considerations         | N/A  |
| Regulatory Search Requirements | Reasonable, time frame undefined - COLO. REV. STAT. § 10-11-106  |
| Retention of Records: Title    | 7 years - 3 CCR 702 Reg. 3-5-1 § 7; 7 years also for evidence of insurability - COLO. REV. STAT. § 10-11-106 |
| Retention of Records: Escrow   | 7 years - 3 CCR 702 Reg. 3-5-1 § 7   |
| All Inclusive Rate             | Yes, Search and Exam   |

| Websites                  |   |
|---------------------------|---|
| Mandrien Consulting Group | <a href="http://www.mandrien.com/">http://www.mandrien.com/</a>                             |
| Department of Insurance   | <a href="http://www.dora.state.co.us/insurance/">http://www.dora.state.co.us/insurance/</a> |
| Department of State       | <a href="http://www.sos.co.gov/">http://www.sos.co.gov/</a>                                 |

## CONNECTICUT

### Licensed Attorneys Only

Under Connecticut law, only “commissioners of the superior court,” more commonly known as attorneys-at-law, are permitted to issue title insurance policies within the state. Furthermore, merely having a Connecticut attorney on staff does not satisfy this requirement. Therefore, Connecticut is the only state that prescribes to the doctrine that one must be an attorney in order to be a title agent. Connecticut’s Attorney General has actively prosecuted unlawful activities under the Connecticut Unfair Trade Practices Act (CUTPA) (Conn. Gen. Stat., Title 42, Chapter 735a Section 42-11a et seq.). Connecticut has invoked its UPTA statute more frequently than all other states combined.

When proceedings are initiated, Connecticut’s Insurance Department (CID) and Attorney General will send the applicant a CID request for information about his or her practices. This demand is tantamount to a request for the production of documents within the state. The State will scrutinize the applicant’s files to determine if the applicant has engaged in “unfair or deceptive acts”. If the state discovers evidence of such acts (e.g., a RESPA violation or other acts deemed a violation of CUTPA), the matter is referred for civil or criminal prosecution. This referral will then trigger self-reporting. In summary, the Connecticut’s Attorney General is hyper-vigilant about pursuing CUTPA violations. However, some firms have successful work share agreements that have maintained compliance in the stream of commerce for many years. These firms have effectively and lawfully circumnavigated CUTPA and are not prosecuted by the Attorney General’s office.

For additional information on Connecticut, visit Connecticut’s Insurance Department website:  
<http://www.ct.gov/cid/site/default.asp>

### Title Agency Licensing and Business Requirements

|   |  |
|---|--|
| Agency Capitalization Required by State           | N/A  |
| Agency Net Worth Required by State                | N/A  |
| Title Plant Ownership/Access                      | Not Required                                       |
| Title Plant Costs Where Ownership/Access Required | N/A  |
| Controlled Business Considerations                | Not as to Agencies - CONN. GEN. STAT. § 38a-416(c) |
| Agency Residency                                  | See “Special Considerations”                       |
| Registration with Department of State             | Optional; Foreign Entities Allowed                 |
| Individual Residency                              | See “Special Considerations”                       |
| Title Agency Naming Conventions                   | N/A  |
| E & O   | Not Required                                       |
| Fidelity  | Not Required                                       |
| Surety  | Not Required                                       |

| Residency Status                                   | Non-Residents                | Residents                    |
|--|------------------------------|------------------------------|
| Title Agency Licensing                             | See "Special Considerations" | See "Special Considerations" |
| Title Agency Licensing Fees                        | N/A                          | N/A                          |
| Title Agency Appointment by Underwriter            | See "Special Considerations" | See "Special Considerations" |
| Individual Title Insurance Producer Licensing      | See "Special Considerations" | See "Special Considerations" |
| Individual Title Insurance Producer Licensing Fees | N/A                          | N/A                          |