

common types of insurance protect against potential or future events. Title insurance protects against past events connected to real property or previous owners that 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: There are 20 authorized to operate in Illinois.

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

A: There are more than 12,000 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 please visit our website at: <https://idfpr.illinois.gov/dfi/titleinsur/titleinsur-main.html>

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

A: No, but title agents must be registered 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.

Q: Who determines which title insurance company to be used?

A: The party paying for title insurance has the right to choose the title insurance agent and company.

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

A. Visit our website at:

<https://www.obresecureclear.state.il.us/CLEARonlineweb/lookup/licenselookup.aspx>

Q. What is the difference between a "lender's policy" and a "owner's policy"?

A. A lender's title insurance policy protects your mortgage lender up to the loan amount from claims on the title that impact their interest. The lender policy only pays the lender if the homeowner defaults on the loan obligation because of the claim. An owner's policy, protects the homeowner from claims against the title up to the sale price of the home. If an old claim arises after closing, a lender's policy would only pay the lender for any losses to the lender. Lenders usually require a policy. Homeowner policies are optional.

Q. How do I research title insurance policy prices?

A. You can look online, ask friends and family or your agent/broker for referrals, or call title companies for quotes once you have a loan estimate.

Title Insurance Section

Chicago Office
555 West Monroe Street - Suite 500
Chicago, Illinois 60661


Springfield Office
320 West Washington Street, 5th Floor
Springfield, Illinois 62786

Email the Title Insurance Section:
FPR.TitleInsurance@illinois.gov

<https://idfpr.illinois.gov/dfi/titleinsur/titleinsur-main.html>

General Assistance: 1-888-473-4858
TTY Line: 1-866-325-4949

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Printed by the Authority of the State of Illinois
IOCI 25-0956 0 copies 11/24 



State of Illinois
Illinois Department of Financial
and Professional Regulation

Title Insurance Section



IDFPR
Illinois Department of
Financial and Professional Regulation

Division of Financial Institutions Protects Consumers

The Illinois Department of Financial and Professional Regulation's Division of Financial Institutions has several key responsibilities, including:

- **Licensing** – Financial institutions operating in Illinois must be licensed or chartered in accordance with various laws. We pursue unlicensed entities to protect consumers against fraud, theft, and other abuses.
- **Application Review** – We review license applications and renewals to ensure that all lenders, credit unions, creditors, and other licensees meet licensing or chartering requirements.
- **Examinations** – The law requires us to examine financial institutions periodically. When necessary, we conduct additional exams to ensure that licensees are financially sound and complying with the law.
- **Education** – We participate in seminars and educational forums to educate consumers and the public.
- **Investigations** – We investigate all complaints against financial institutions in Illinois.
- **Disciplinary Actions** – We take disciplinary action against financial institutions in Illinois that violate the law or fail to meet licensing requirements.

Discipline may include fines, corrective action plans, consumer relief, or license suspension or revocation.

- **Legislation** – We collaborate with the governor, legislators, and other stakeholders to create legislation that improves our regulated industries and promotes consumer protection.

Title Insurance Section Background and Overview

Title insurance in America goes as far back as 1876, following a historic 1868 Pennsylvania case *Watson vs. Muirhead*. *Watson* wanted to buy property in Philadelphia. He hired a "conveyancer" (title search and report provider) named Charles Muirhead to report all claims against the property that would prevent *Watson* from owning it free and clear. Unfortunately, Muirhead got bad legal advice that an outstanding money judgment against the seller was not a lien on the property.

Watson purchased the property relying on Muirhead's incorrect report. Later on, the seller's judgment creditor sued *Watson* over the property, won, and sold it at judicial sale to repay the seller's debt. *Watson* sued Muirhead for advising him that the title was free and clear, but the court determined that Muirhead had not been negligent because it was an honest mistake of judgment.

Title insurance became available soon after the case was decided to protect buyers and secured lenders from claims and defects in

property title and to protect sellers against lawsuits for defective titles.

In 1901, the Illinois General Assembly passed the Title Insurance 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 to annually examine each title insurance company's financial condition and operations. These exams ensure that each underwriter complies with the Act and follows other applicable laws, rules, and regulations.

Title Insurance Section FAQs

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

A: To license, certify, register, and regulate title insurance companies and their registered title agents; to examine title insurance companies annually to ensure they meet requirements set forth in the Illinois Title Insurance Act; to examine operations and management of all title insurance companies operating in Illinois; and to verify the financial stability of title insurance companies.

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 (like liens or easements) placed against the title to real property. Title insurance policies outline the specific terms, conditions, and exclusions of the title insurance coverage.

Q. What is a title company's main purpose?

A. To guarantee, insure, and warrant real estate titles in Illinois. That's whether the company is organized under the laws of Illinois, another state's law, the laws of the District of Columbia, or the laws of a foreign government.

Q: What are title insurance agents?

A: Companies or individuals registered by title insurance underwriters to conduct real estate transactions in Illinois.

Q: What is the cost of title insurance?

A: Prices vary. It is important to compare prices and ask questions about each fees and charge.

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

A: Life, health, homeowner's, and other