



# Illinois Department of Financial and Professional Regulation

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## Division of Financial Institutions

PAT QUINN  
Governor

BRENT E. ADAMS  
Secretary

Roxanne Nava  
Director  
Division of Financial Institutions

### **Statement Regarding Consumers' Right to Choose Title Provider**

The Department has received inquiries about situations where a participant in a residential real property transaction purports to limit the right of Illinois citizens to choose the title insurance agent or title insurance company providing title insurance to or on behalf of the consumer by requiring that the consumer select a company from a list. While the Department neither issues “advisory opinions” nor dispenses legal advice, the public’s interest in this topic merits this statement from the Department. Parties seeking a legal opinion should consult their own attorney.

In Illinois, the consumer’s right to choose the provider is protected by the Illinois Title Insurance Act (215 ILCS 155/18.1) and related rules (50 Illinois Administrative Code, Section 8100.2406). Title insurance agents and title insurance companies that cooperate with attempts to limit Illinois consumers’ right to choose the provider when the consumer is paying for the title insurance are in violation of the law and may be subject to discipline by the Department.

Licensed title insurance companies and registered title insurance agents are listed on the IDFPR website at [www.idfpr.com/dfi/TitleInsur/TISearch.asp](http://www.idfpr.com/dfi/TitleInsur/TISearch.asp). Companies and individuals listed there may be selected by the party paying for the title insurance for residential real property transactions.

It may be the case that the contract between the seller and buyer for the sale and purchase of residential real property results in the seller paying for the owner’s policy and the buyer paying for the lender’s policy. In the event two different companies are selected by the two parties, negotiation will determine whether one of those companies will act as escrow agent for the transaction, or a third party will be selected as escrow agent or the escrow and closing will be bifurcated.

These protections for Illinois consumers apply to sellers and purchasers of residential real property when those parties pay for the title insurance commitments and policies issued to them or on their behalf. In situations where another entity claims to pay for such costs, title insurance agents and title insurance companies must be careful to determine that no circumstance exists where the party paying initially ends up recouping those payments from either seller or buyer in the form of a higher price for other services, higher interest rate, increased points or other pre-payments or any other ruse designed to circumvent the operation of these important consumer protections.