# SB-133 RESTRICTIONS

**Current Marketing Restrictions (2026 Update)**

California Insurance Code 12404 prohibits any title insurer, underwritten title company or controlled escrow company from providing anything of value, directly or indirectly, as an inducement for the placement or referral of title business. A “12404 person” includes sellers, buyers, borrowers, lenders, real estate agents, brokers, and their employees or representatives.

CDI enforcement remains active and includes fines, license discipline, and loss of marketing representative registration for violations.

**KEY COMPLIANCE PRINCIPLE:**
There is no practical “nominal value” safe harbor in current enforcement—even small or routine items may be treated as prohibited inducements depending on context. SB 133 compliance is not just about avoiding large inducements — it is about avoiding any perception that value is being exchanged for referrals. CDI enforcement continues to interpret this standard broadly and apply it actively across the industry.

| PROHIBITED | EXAMPLE OF RECENT PROHIBITED ACTIVITY AND ENFORCEMENT ACTIONS | PERMITTED (WITH LIMITATIONS) |
|---|---|---|
| Advertising, Marketing Support, or Lead Generation for 12404 persons. | • Paying for or subsidizing listings, ads or leads platforms.<br>• Creating agent-branded flyers, social media posts or email campaigns.<br>• Providing Customer lists or lead data.<br>• Providing Marketing Services (e.g., photography, drone videos, listing media) | • Providing general property or market data tools only if paid for at fair market value by the 12404 person.<br>• Sharing publicly available information. (non-exclusive, non -subsidized) |
| Meals, Food, Beverages or Entertainment | • Paying for coffee, meals, snacks or event hospitality for agents, lenders or other 12404 people.<br>• Hosting happy hours or catered events targeting referral sources. | • Meeting with a 12404 person if each party pays their own expenses (no subsidization). |
| Gifts, Prizes or Anything of Value | • Gift cards, flowers, promotional giveaways tied to relationships.<br>• Raffles, contests or door prizes for agents or lenders. | • Nominal promotional items only if broadly distributed, not tied to referrals, and compliant with internal policy. |

**(continued)**

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| PROHIBITED | EXAMPLE OF RECENT PROHIBITED ACTIVITY AND ENFORCEMENT ACTIONS | PERMITTED (WITH LIMITATIONS) |
|---|---|---|
| Education or Training not directly related Title/Escrow | • Teaching general real estate marketing, business growth or sales techniques.<br>• Providing continuing education or training to title/escrow as a relationship benefit. | • Education narrowly focused on title, escrow, compliance or closing processes.<br>• Must not function as disguised marketing or business development support. |
| Providing Business Support or Paying Expenses | • Paying for rent, staff, office equipment, CRM systems or software.<br>• Covering event costs or sponsoring agent-specific events.<br>• Providing "hands-on" support on agent-branded events. | • Providing limited, approved informational materials about title/escrow services. |
| Technology Platforms / Data Access | • Providing free or discounted access to CRM systems, marketing platforms or premium analytics tools.<br>• Co-branded digital tools that benefit the agent's business. | • Access to tools only if there 12404 person pays fair market value and the tool is not tied to referrals |
| Rate Manipulation or Discounts | • Charging anything other than the filed rate.<br>• Waiving fees or offering discounts as a favor or relationship incentive. | • Applying only filed rates or approved rate programs consistent with regulatory filings. |

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