

WFG Underwriting Bulletin



To: All Policy Issuing Agents of WFG National Title Insurance Company
From: Underwriting Department
Date: March 17, 2016
Bulletin No. NB2016-04
Subject: Pro-Forma or Specimen Title Policies in **States Other Than Texas and New Mexico**

In commercial transactions it is not uncommon for the insured or their lawyer to request a Pro-Forma or Specimen title policy showing exactly what the final policy including endorsements will look like. The terminology differs in different parts of the country. There is risk in providing a Pro-Forma policy because the transaction is not yet closed, not all of the requirements contained in the commitment have been satisfied, and your “Pro-Forma policy” can easily be mistaken for a final policy or commitment.

To avoid any confusion, every Pro-Forma policy **other than those issued on Texas¹ and New Mexico Properties²** should show either “Pro-Forma” or “Specimen Policy” in place of the policy number on EVERY schedule and endorsement.

The following language should be included somewhere on Schedule A.

THIS IS A PRO FORMA POLICY. IT PROVIDES NO INSURANCE COVERAGE. IT DOES NOT REFLECT THE PRESENT STATE OF TITLE AND IS NOT A COMMITMENT TO (I) INSURE THE TITLE OR (II) ISSUE ANY OF THE ATTACHED ENDORSEMENTS. ANY SUCH COMMITMENT MUST BE AN EXPRESS WRITTEN UNDERTAKING ON APPROPRIATE COMPANY FORMS.

THERE ARE REQUIREMENTS WHICH MUST BE MET BEFORE A FINAL POLICY CAN BE ISSUED IN THE SAME FORM AS THIS PRO-FORMA POLICY. A COMMITMENT TO INSURE SETTING FORTH THESE REQUIREMENTS SHOULD BE OBTAINED FROM THE COMPANY.

¹ In Texas, Rule P-52 provides specific requirements for Pro-forma policies including that specific language (not the above) appear on every page of Schedules A & B. WFG Agents are expected to follow those rules when insuring any Texas properties.

² As of March 1, 2016, an order of the Superintendent of Insurance established specific language for pro-forma policies in New Mexico. See [Bulletin NM2016-01](#).

The line for the counter-signature on any policy and endorsements should also have the words “Pro-Forma” or “Specimen” typed in.

If the Pro-Forma policy is being generated in MS Word or using other software that permits watermarks, every page should include a watermark reading “Pro-Forma Policy” or “Specimen Policy.”

In addition, staff must be trained that ALL requirements of the commitment must be satisfied and the transaction fully closed and disbursed prior to converting the Pro-Forma into a final title policy.

Please contact your WFG Underwriter with any questions.

NOTE: This Bulletin is for the sole purpose of establishing underwriting positions and policies reflecting WFG National Title Insurance Company’s best business judgment. The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company’s Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.