

WFG Underwriting Bulletin



To: All Alabama Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: September 25, 2020
Bulletin No.: AL 2020-01
Subject: Alabama Mutual Indemnification Agreement

WFG has become a party to the Mutual Indemnification Agreement (Alabama) (the “MIA”).

Reliance on a MIA is sometimes a solution to allow a current transaction to close without curing an underlying title defect. It does not “Fix” or “Cure” the underlying problem, so, depending on the issue, this “solution” may not be beneficial or acceptable to your customer, nor does reliance on a MIA necessarily protect a WFG agent from possible claims by their customer.

In issuing a WFG policy, WFG agents are authorized to rely on the Alabama MIA without the need for specific approval by the Underwriting Department, upon confirming:

1. Both WFG and the insurer that issued the prior policy are parties to the MIA. A list of current participants in the MIA is attached to this bulletin.
2. The property to be insured is within the State of Alabama.
3. You have possession of (and keep in your files) a copy of the title policy insuring the current owner in some prior transaction, confirm that policy was issued after the defect in question was placed of record, and that the prior policy took no exception for that defect.
4. You have confirmed that the defect in question is covered by the MIA, does not exceed any dollar limits and that there is strict compliance with all of the MIA’s requirements, conditions, and limitations. A copy of the MIA is linked to this bulletin.
5. So that there is no question later about whether the defect was known and disclosed to the customer, and so WFG is aware of potential recoveries under a MIA, language similar to the following should be included in any WFG commitment and policy issued in reliance on the MIA:

Note: The title search revealed [describe the defect including any recording information]. No exception to coverage is being taken for this matter based on the indemnities provided in the Mutual Indemnification Agreement (Alabama) and Title policy #XXXXXX issued by [Company].

6. A copy of the prior company's policy should be attached to the WFG policy when the WFG policies are submitted to WFG.

One last word of caution. The MIA is highly technical, with a number of provisos and conditions. If you read it wrong, or don't fully understand it – you as the agent may be taking on significant liability. In relying on any MIA, you are insuring over a known title defect, and if the MIA doesn't apply, you may be doing so without any protection from the prior insurer (and perhaps even releasing the prior insurer from liability); so, if you have questions about the applicability of a MIA to a specific transaction, please contact your WFG underwriter.

[Link to Mutual Indemnification Agreement \(Alabama\)](#)

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.

**Companies covered by the
Alabama Mutual Indemnification Agreement
Updated Through September 20, 2020**

**Alliant National Title Insurance Company
AmTrust Title Insurance Company
Atlantic Title Insurance Company
Chicago Title Insurance Company
Commonwealth Land Title Insurance Company
Investors Title Insurance Company
Lawyers Title Insurance Company
Mississippi Valley Title Insurance Company
North American Title Insurance Company
Old Republic National Title Insurance Company
Security Title Guarantee Corporation of Baltimore
Security Union Title Insurance Company
Stewart Title Guaranty Company
Ticor Title Insurance Company
Transnation Title Insurance Company
United General Title Insurance Company
Westcor Land Title Insurance Company
WFG National Title Insurance Company**