



UNDERWRITING BULLETIN

To: All Florida Agents of WFG National Title Insurance Company

From: WFG Florida Underwriting Department

Date: November 26, 2012

Bulletin No.: FL-11262012-12

Re: Update Regarding the National Title Surcharge

In July 2009, the Department of Financial Services (“DFS”) was appointed as Receiver for National Title Insurance Company (“National”). As Receiver, DFS administers claims and other matters on behalf of National. Under Florida Statute 631.400, all title insurance Underwriters in the State of Florida are liable for the expenses of the Receivership. On September 4, 2012, the Florida Office of Insurance Regulation (“OIR”) ordered the first assessment in the amount of \$212,478.00 to pay for the expenses of the Receivership (“OIR Order”). Pursuant to Florida Statute 631.401, the OIR Order requires the Underwriters to recoup their share of the assessment by having their agents collect a surcharge in the amount of twenty-eight cents (\$0.28) for each title policy issued. The date to start collecting the surcharge has been extended by OIR to February 4, 2013. Accordingly, a surcharge of twenty-eight cents (\$0.28) must be collected on each title insurance policy issued with an effective date of February 4, 2013 or later.

The surcharge is not considered a title insurance premium, and is not subject to the underwriter/agency split. The surcharge should be shown separately in the 1300 series of the HUD-1. It is to be charged to the party responsible for payment of the title insurance premium, unless otherwise agreed between the parties. The entire surcharge is to be paid to the underwriter. A simultaneous issued loan policy is not subject to the surcharge. Therefore, if an owner’s policy and a simultaneous loan policy are being issued, only one surcharge of 28 cents is required.

NOTE: This Bulletin should not be interpreted as reflecting negatively upon the character of an individual or entity and is for the sole purpose of establishing underwriting positions 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 and its agents. Disclosures to any party not described above are prohibited unless approved in writing by the WFG National Title Insurance Company’s Underwriting Department.