



UNDERWRITING BULLETIN

To: Florida Agents and WFG employees
From: Florida Underwriting Department
Date: March 10, 2011
Bulletin No: FL-031011
Name: 2006 Forms “with Florida Modifications” are Approved for use in Florida

Effective March 1, 2011, the 2006 policy forms “with Florida Modifications” have been approved for use in Florida. These forms provide some important enhanced coverages for our customers.

Some of our competitors have stated that their agents “**MUST**” use the new forms **IMMEDIATELY**. We think this is a bit heavy handed -- especially since the new Florida forms are not yet available on many of the closing software platforms used by our agents. Anytime a new form comes out, there will be a learning curve and system delays. We need to be realistic about this.

The Office of Insurance Regulation has not yet disapproved the prior versions of the form – so the old forms may still be issued in Florida.

WFG’s policy is that our agents may issue EITHER the 1992 forms (with Florida Modifications) or the 2006 forms (with Florida Modifications), whichever best suits your operation and best meets the needs of your customers until July 1, 2011.

Absent underwriting department approval, we will be requiring all commitments issued after July 1, 2011 to call for the issuance of the 2006 policy forms with Florida modifications.

If the software vendors haven’t caught up by then, we’ll discuss extending this deadline.

Since WFG isn’t Demanding, What Form Should I Issue?

There are a couple of factors that you might want to take into account in deciding which form to use:

1. We, as title agents, always want to look out for the best interests of our customers. And since the 2006 forms (with Florida modifications) provide clearer language and expanded coverages, we “should want” to use those forms in almost every case. At least as soon as our closing systems will support them.

2. Fannie/Freddie rules call for a 2006 policy form “where available.” That standard has been picked up in most of the written closing instructions from lenders. So now that a Florida variation of the 2006 forms have been approved, you do have to issue them where it is required by the written closing instructions.

Dealing with “Old” Commitments

When you make the transition to the 2006 policy forms, there will be certain customers who have been issued a commitment for the old form. WFG is contractually bound to meet the terms of those commitments unless the customer agrees to change the requirement.

We suggest you view this is an opportunity to show your customer that you are looking out for their best interests. Explain to them that Florida recently approved a new policy form with enhanced protections for them. And that – with their permission -- your agency will issue them the new improved form policy, at no additional cost to them.

But it is their choice. You are more than willing to issue them the old form coverage in accord with their commitment, but that you would recommend the new form. Point out that their lender is insisting on the use of the new 2006 form of policy because it provides better protections of their interest. (and yes, you may issue a 92 form to the owner and an 06 form to the lender under simultaneous issue rates.) Assuming they agree, you will want to document this change by amending the commitment with both you and them initialing the change.

The Mechanics

The standard ALTA 2006 forms that are available on many software systems are NOT the versions approved in Florida. The right forms will say “With Florida Modifications” Using the “Wrong Forms” can subject you and WFG to fines and penalties. So be certain that the forms your software is generating for Florida properties are the 2006 forms “with Florida Modifications.”

Until your software vendor provides the correct new forms, the mechanics become difficult.

WFG is already providing the 2006 “jackets” electronically through our jacket generator (<https://www.wfgsecure.com/PolicyGenerator/>). So you can pull jackets directly from our website (and will need to log the numbers manually into your closing software).

As a temporary “work-around,” we have posted MS Word versions of the approved Florida endorsements on our website. Most closing software has the capability to create your own forms. So until your software company provides the new forms, you can download these endorsements and convert them into forms for your closing system.

In the very near future, we will be scheduling education on the differences between the old forms and the 2006 forms, which will go into much greater detail.

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