



UNDERWRITING BULLETIN

To: All Florida Agents of WFG National Title Insurance Company

From: WFG Florida Underwriting Department

Date: October 17, 2012

Bulletin No.: FL-10172012-09

Re: National Title Insurance Company - Surcharge

In July 2009, the Department of Financial Services (“DFS”) was appointed as Receiver for National Title Insurance Company, a small Florida title insurance underwriter (“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 based upon their pro rata share of the total direct title insurance premiums written in the most recent calendar year. 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 as of that date (“OIR Order”). Pursuant to Florida Statute 631.401, the OIR Order mandates that the Underwriters recoup their share of the assessment by requiring their agents to collect a surcharge in the amount of 28 cents for each title policy issued on transactions that close after the date of the Order. The date to commence collecting the surcharge has been extended to December 3, 2012.

While WFG has no desire to recoup its share of this assessment using the 28 cent surcharge, the surcharge is mandatory under Florida Statutes and the OIR Order. Unless OIR amends the Order, you will have to start collecting the surcharge for each owner’s and lender’s policy issued for closings occurring after December 3, 2012. However, the surcharge is not collected on a simultaneously issued lender’s policy. The 28 cent surcharge is not premium and should be listed in the 1300 series on the Settlement Statement as “National Title Surcharge”. The surcharge should be paid to the Underwriter insuring the transaction. The Underwriters and the FLTA are working with OIR to amend the OIR Order to, among other things, increase the surcharge amount to a more meaningful number such as \$2 per policy.

As this issue evolves, WFG will inform you.

NOTE: This Bulletin is intended for use by title issuing offices, title insurance agents and approved attorneys of WFG National Title Insurance Company and any reliance by any other person or entity is unauthorized. This bulletin is intended solely for the purpose of underwriting policies of WFG National Title Insurance Company.