



WFG Rate and Form Bulletin

To: All Louisiana Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: March 6, 2020
Bulletin No.: LA 2020-03
Subject: Form Changes Effective April 1, 2020

The Louisiana Department of Insurance has approved recent filings by the Louisiana Title Statistical Services Organization, Inc. (LATISSO). The following new and revised forms and rates take effect April 1, 2020.

REVISED FORMS:

ALTA 9-06 Endorsement (Restrictions, Encroachments, Minerals – Loan Policy)

ALTA 15.2-06 Endorsement (Non-Imputation – Partial Equity Transfer)

ALTA 32-06 Endorsement (Construction Loan)

ALTA 32.1-06 Endorsement (Construction Loan – Direct Payment)

ALTA 32.2-06 Endorsement (Construction Loan – Insured's Direct Payment)

LATISSO 101 Endorsement (Multiple Indebtedness Mortgage)

Technical corrections were made to the foregoing forms.

NEW FORMS:

ALTA 3.3-06 Endorsement (Zoning – Completed Improvement – Non-Conforming Use)

This endorsement can be issued with an Owner's or Loan Policy to provide coverage for a legal non-conforming use in existence before enactment of the applicable zoning ordinance and at Date of Policy. The endorsement insures against loss or damage resulting from: (1) an identified non-conforming use not being allowed by the municipality or parish because it violates a zoning ordinance; and (2) a final judgment prohibiting the non-conforming use or requiring the removal or alteration of an existing building located on the Land at Date of Policy because the non-conforming use violates a zoning ordinance with respect to (i) the area, width or depth of the Land; (ii) the floor space area of the existing building; (iii) a setback of the existing building from the property lines of the Land; (iv) the height of the existing building or (v) the number of parking spaces.

Underwriting approval is required to issue this endorsement. Approval will be based on upon satisfactory evidence that the Land and the existing building are subject to a valid non-conforming use – generally, a certification from the parish/city planning department which addresses the use of the Land; the size, setbacks and height of the existing building; and the number of parking spaces.

The rate for this endorsement is 20% of the Original Rate, subject to a minimum premium of \$250.

ALTA 3.4 Endorsement (No Zoning Classification)

This endorsement can be issued with an Owner's or Loan Policy where the Land is not subject to any zoning ordinances or regulations. The endorsement insures against loss or damage resulting from: (1) an identified use not being allowed by the municipality or parish because it violates a zoning ordinance; and (2) a final judgment prohibiting the use or requiring the removal or alteration of an existing building located on the Land at Date of Policy because the use violates a zoning ordinance with respect to (i) the area, width or depth of the Land; (ii) the floor space area of the existing building; (iii) a setback of the existing building from the property lines of the Land; (iv) the height of the existing building or (v) the number of parking spaces

To issue this endorsement, you must confirm that the Land is not subject to a zoning ordinance or regulation by obtaining a written certification from the applicable parish or municipal authority (e.g., planning department) or licensed surveyor. The availability will likely be limited to rural parts of the state. The current use of the Land (e.g., single family residential, retail, industrial, etc.) must be described where indicated in Paragraph 2(a) of the endorsement.

The rate for this endorsement is 20% of the Original Rate, subject to a minimum premium of \$250.

ALTA 18.3 Endorsement (Single Tax Parcel and ID)

This endorsement can be issued with an Owner's or Loan Policy. It is designed for property assessed under a single tax bill. It is similar to the ALTA 18, but adds coverage for loss or damage due to the Land not being assessed for real estate taxes under a single designated tax identification number.

To issue, you'll need to review the tax records to confirm that the insured property is assessed on a single bill and not with other uninsured property. The tax identification or assessment number for the insured property must be listed in the blank in Paragraph 2 of the endorsement.

The rate for this endorsement is \$75.00.

LATISSO 108 Endorsement (Date Down)

This endorsement is available for a Loan Policy only. It is designed to accommodate requests from lenders to 'date down' the policy to cover loss or damage arising after the original issuance and eliminates the need to issue a 'blank' endorsement to change the Date of Policy.

Prior to issuing this endorsement, you must update your title exam. The Date of Policy in Paragraph 1 shall be the date of certification from the updated title exam. Current owners of record, as provided in the updated title exam, must be listed in Paragraph 2.

If the updated title exam reflects matters which should be added as exceptions, those should be listed in Paragraph 3. If the updated exam reflects subordinate matters filed after the

insured mortgage, these should be listed in Paragraph 4. If there are no additional exceptions or subordinate matters, you must type "None" in the appropriate paragraph. If you have questions about what should be listed in either paragraph, please contact underwriting counsel.

The date down coverage does not apply to endorsements issued with the policy. Accordingly, you must list the original Date of Policy in Paragraph 5. This endorsement expressly excludes post-policy survey matters, mechanic's liens and taxes not yet due and payable. You must verify that taxes are paid current and insert the current year (or following year if the property is located in Orleans Parish) in the blank in Paragraph 6(d).

The rate for this endorsement is \$0.50 per thousand on the unpaid loan balance.

NEW RATE RULES

PR-4.1 Simultaneous Issuance of Owner and Leasehold Owner Policies

When policies are issued simultaneously to the fee simple Owner and Leasehold Owner by the same Insurer with the same Date of Policy and insuring the same Land or portion thereof, the total premium for both policies is 130% of the premium computed on the policy with the higher Amount of Insurance.

PR-4.2 Substitution Credit for Loan Policies

This new LATISSO rate is based on existing substitution credits available from WFG and other companies. If an existing Loan Policy was issued by any Insurer to the same borrower on the same Land or a portion thereof, the substitution credit shall be applied upon providing evidence of the existing Loan Policy. The discounted rate is 60% of the Original Rate up to the amount of the unpaid principal balance of the existing loan. The minimum premium is \$100.00.

PR-4.3 Reissue Credit for Owners Policies

PR-4.4 Reissue Credit for Loan Policies

PR-4.5 No Reissue Credit for New Leasehold Policy

LATISSO has also adopted a uniform reissue rate. If an existing Owner's Policy was issued by any Insurer on the same Land or part thereof, the purchaser in the proposed sale or the mortgagee in the proposed refinance shall be entitled to the reissue credit upon providing evidence of the existing Owner's Policy. The existing Owner's Policy must have been issued in the past 10 years for the reissue credit to apply to a new Owner's Policy. The owner of a new leasehold is not entitled to a reissue rate. The discounted rate is 60% of the Original Rate up to the Amount of Insurance of the existing Owner's Policy. The minimum premium is \$100.00.

PR-4.6 Mechanics and Materialmen's Lien Protection

LATISSO has adopted a uniform rate for M&M coverage. The additional premium for this coverage on a Loan Policy is:

From: (\$)	To: (\$)	Additional cost per \$1000 (\$)
Up to and incl. \$12,000		\$100 (minimum)
12,001	50,000	0.84
50,000	100,000	0.72
100,001	500,000	0.66
500,001	1,000,000	0.54

1,000,001	2,000,000	0.48
2,000,001	15,000,000	0.42
15,000,001	25,000,000	0.36
25,000,001	35,000,000	0.30
35,000,001	And above	0.24

If the coverage is provided on an Expanded Coverage Loan Policy, the figures above must be multiplied by 110%.

Coverage may be provided on an Owner's Policy only with underwriting approval and at the following rates:

From: (\$)	To: (\$)	Additional cost per \$1000 (\$)
Up to and incl. \$12,000		\$100 (minimum)
12,001	50,000	1.80
50,000	100,000	0.96
100,001	500,000	0.90
500,001	1,000,000	0.72
1,000,001	2,000,000	0.60
2,000,001	10,000,000	0.54
10,000,001	15,000,000	0.48
15,000,001	25,000,000	0.42
25,000,000	35,000,000	0.36
35,000,001	And above	0.30

If the coverage is provided on a homeowner's policy, the figures above must be multiplied by 110%.

If established to the satisfaction of the company that there have been no improvements or work within the statutory lien period preceding the issuance of the policy or under other certain circumstances, there is no charge for M&M coverage on a Loan or Owner's Policy. However, as noted, company approval is required to issue M&M coverage on an Owner's Policy.

Similar coverage may also be provided through the existing ALTA 32/33 series endorsements which have different rates. Guidelines for issuance of M&M coverage and the ALTA 32/33 series endorsements are provided in the following bulletins: LA 2016-03 and LA 2019-05.

Copies of the forms and revised LATISSO Schedule of Rates for Title Insurance in Louisiana effective April 1, 2020 may be downloaded [here](#). Please ensure that your software vendors have received the most up-to-date forms. If you have any questions about or need assistance with forms or rates, please do not hesitate to contact your Louisiana WFG team.

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