

WFG Rate and Form Bulletin



To: All Louisiana Policy Issuing Agents of WFG National Title Insurance Company

From: WFG Underwriting Department

Date: July 24, 2023

Bulletin No. LA 2023-06

Subject: Rate and Form Changes Effective August 1, 2023

The Louisiana Department of Insurance has approved a recent filing by the Louisiana Title Statistical Services Organization, Inc. (LATISSO). The following rate and form changes take effect August 1, 2023.

NEW FORMS

ALTA Residential Limited Coverage Mortgage Modification Policy

This is the 2021 version of the mortgage modification policy and will eventually replace the existing 2014 version which has not been decertified yet. The existing rate rule, PR-5, applies to the 2021 version and provides for a premium of \$0.50 per thousand of the unpaid balance of the mortgage subject to a \$125 minimum. This limited coverage loan policy may be issued for recorded modifications to mortgages on improved 1-4 family residential property only. It provides an alternative to the ALTA 11 endorsement where the existing loan policy was issued by another company.

ALTA 46-06 Option Endorsement

This endorsement insures against certain defects in the execution of a recorded option to purchase the insured Land (or a portion) and rights of others resulting from a prior recorded option. It otherwise does not insure against loss due to the invalidity or unenforceability of the option, nor the failure of the Insured to satisfy the terms of the option. Its application likely will be limited to leasehold policies where the fee owner grants the lessee an option to purchase.

Requirements to issue this endorsement are:

1. The property subject to the option must be all or part of the Land described in Schedule A.
2. The option, or a memorandum, must be recorded in the parish where the property is located.
3. The option must be executed as an authentic act before two witnesses and a notary. If not in authentic form, obtain underwriting approval.
4. The option must be executed by all individuals with an ownership interest or by the duly authorized representative of an entity in good standing.
5. Schedule B must have exceptions for any prior recorded instruments which contain an option or right of first refusal.
6. Insert the recording date and book/page, instrument number, etc. for the option in the blanks in Paragraph 2(a) of the endorsement.

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.

7. If the option concerns all of the insured Land, delete the bracketed text in Paragraph 2(b) of the endorsement. If the option concerns only a portion of the insured Land, remove the brackets and insert a description of the option parcel in Paragraph 2(b).

This endorsement can be issued with owners and loan policies, and 2006 or 2021 policy forms. The rate is 5% of the Original Rate of the policy, subject to a \$300 minimum.

ALTA 34.1 Identified Exception & Identified Risk Coverage Endorsement

This endorsement provides similar coverage to the existing ALTA 34-06. It enables the company to provide affirmative coverage for an Identified Risk without deleting the Identified Exception. An example would be an uncancelled mortgage against a prior owner with the recorded mortgage being the Identified Exception and the foreclosure of the mortgage being the Identified Risk. By 'insuring over' in this manner, the company is not obligated to clear the Identified Exception or Risk, although it may be obligated to re-insure on the same terms if no other company is willing to do so.

This endorsement can be used where coverage is not otherwise available. It can be issued with owner's or loan policies, and with 2006 or 2021 policy forms. The rate for this endorsement varies with the Identified Risk, but is subject to a minimum \$500 premium. Underwriting approval is required to issue this endorsement and to fix the premium.

REVISED FORMS

LATISSO 100 Collateral Mortgage Endorsement

Minor corrections were made to policy condition references in Paragraph 1 and to clarify that the endorsement can be issued with either 2006 or 2021 loan policy forms.

LATISSO 101 Multiple Indebtedness Mortgage Endorsement

Minor corrections were made to clarify that the endorsement can be issued with either 2006 or 2021 loan policy forms.

LATISSO 108 Date Down Endorsement

Brackets were added around certain items in Paragraph 6. Underwriting approval is required to delete one or more of the bracketed exclusions in subparagraphs b-d, but not to issue the endorsement. As a reminder, the LATISSO 108 replaced the prior practice of providing date downs by general or blank endorsement.

Please check with your software provider to confirm that you have the most up-to-date forms. Microsoft Word versions and the revised LATISSO Schedule of Rates for Title Insurance in Louisiana also can be obtained from the state office or at wfgunderwriting.com.

If you have any questions or need assistance with forms or rates, please do not hesitate to contact your WFG Louisiana Agency 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.