



WFG Rate and Form Bulletin

To: All Louisiana Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: September 5, 2024
Bulletin No. LA 2024-04
Subject: Rate and Form Changes Effective October 1, 2024

The Louisiana Department of Insurance has approved another recent filing by the Louisiana Title Statistical Services Organization, Inc. (LATISSO). The following rate and form changes take effect October 1, 2024.

NEW FORMS & RATES

LATISSO 109/ER-109 Limited Construction Advance Endorsement

This new endorsement may be used to recognize construction loan disbursements in connection with a Loan Policy where full Mechanics' and Materialmen's Lien Protection ("M&M") coverage was provided. As a reminder, full M&M coverage on a construction or renovation loan requires a clear and timely-filed No Work Affidavit and payment of the applicable premium provided in PR-4.6. See Underwriting Bulletins LA 2016-03 and LA 2019-05.

The LATISSO 109 functions like the ALTA 33 Disbursement Endorsement used in connection with the incremental M&M coverage provided by an ALTA 32 series endorsement. It is designed for construction or renovation financing with multiple draws or disbursements over a limited term. Both current and aggregate disbursements can be identified on the endorsement form. The LATISSO 109 does not change the Date of Policy like the LATISSO 108 Endorsement, but it does allow for instruments recorded post-policy to be added to Schedule B as exceptions or subordinate matters.

Requirements to issue this endorsement are:

1. The Loan Policy must include full M&M coverage – either by removal of the standard exception or by issuance of an endorsement with affirmative language, and the additional premium for the M&M coverage must have been paid.
2. Update the title exam and opinion. Insert the updated certification date of the public records by the clerk of court in Paragraph 1.
3. If the updated title exam reflects matters that should be added as exceptions, list those in Paragraph 2. If there are none, insert "None" in the blank.
4. If the updated title exam reflects matters that should be listed as subordinate matters filed after the Insured Mortgage, list those in Paragraph 3. If there are none, insert "None" in the blank.
5. If a M&M lien is filed, or if you have questions about a recorded matter and whether it should be listed in either Paragraph 2 or 3, please contact underwriting counsel.
6. Insert the amount of the current disbursement in Paragraph 5(a).

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7. Insert the amount of the total disbursements made by the Insured as of the Date of Endorsement in Paragraph 5(b).
8. Obtain underwriting approval if you receive a request to issue a LATISSO 109 Endorsement more than 24 months after the Date of Policy.

This endorsement can be issued with loan policies only. It should not be used with short form or expanded coverage loan policies. The premium is \$100.00 per issuance.

REVISED RATES

PR-4.2 Substitution Credit for Loan Policies

PR-4.3 Reissue Credit for Owner's Policies

PR-4.4 Reissue Credit for Loan Policies

ER-46 Option

Minor technical corrections were made to the above rate rules to be consistent with the manual's defined terms. There was no change to the actual rates.

PR-4 Simultaneous Issue of Owner's and Loan Policies

ER-102 Increased Coverage Endorsement

These rules were modified to clarify the applicable rates for the "simultaneous increase" of an existing owner's policy and an existing loan policy. As revised, PR-4 applies exclusively to the simultaneous issue of new owner's and loan policies, and to the increase of an existing owner's policy with the simultaneous issue of a new loan policy. There has been no change to those rates.

The simultaneous increase of two existing policies is now addressed in the revised ER-102 rate rule. The premium for the increase to the existing owner's policy remains the same – the Original Rate for the new total amount of insurance less the Original Rate for the existing amount of insurance. The premium for the simultaneously-increased loan policy shall be \$100.00, unless the amount of insurance exceeds the increased coverage of the owner's policy, plus the additional premium due for applicable endorsements and M&M lien protection coverage.

ER-11.2 Mortgage Modification with Additional Amount of Insurance

A minimum premium has been added to the rate rule for the ALTA 11.2 Endorsement consistent with the other endorsements in the ALTA 11 series. Under the revised rule, the rate remains \$0.50 per \$1,000.00 on the unpaid principal balance prior to the increase in coverage plus the premium associated with the increase, but now is subject to a minimum premium of \$125.00.

ER-28 Easement – Damage or Enforcement

ER-28.1 Encroachments – Boundaries and Easements

ER-28.2 Encroachments – Boundaries and Easements – Described Improvements

ER-28.3 Encroachments – Boundaries and Easements – Described Improvements and Land under Development

The ALTA 28 series provides encroachments coverage. The existing rules provide for a "per encroachment" rate which is difficult to apply because the endorsements in this series do not actually identify or insure over particular encroachments. Except as to the ALTA 28, the revised rules switch to a percentage-based rate subject to a minimum premium. Because the ALTA 28 does insure against loss due to the exercise of particular easements described in policy exceptions, the revised rule for that endorsement maintains a "per easement or encroachment" rate.

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Here are the revised rates:

ALTA 28 – \$50.00 per easement or encroachment endorsed

ALTA 28.1 – 10% of the Original Rate with a minimum premium of \$150.00

ALTA 28.2 – 15% of the Original Rate with a minimum premium of \$150.00

ALTA 28.3 – 20% of the Original Rate with a minimum premium of \$150.00

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.

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