

## MECHANIC'S AND MATERIALMEN'S LIEN PROTECTION

This rate is applicable to the issuance of both owner's and/or loan policies and provides affirmative insurance against unfilled mechanic's and materialmen's liens, and may be provided subject to the following conditions:

1. If it is established to the satisfaction of the insurer that there have been no improvements made within the statutory lien period preceding the issuance of the policy.
2. If improvements not exceeding \$500 have been made within the statutory lien period and such requirements and conditions as the insurer may impose for its protection have been met to its satisfaction.
3. If improvements exceeding \$500 have been made within such lien period and a corporate statutory bond or a corporate lien bond, in the amount required by the insurer, which in no event shall be less than 50% of the cost of the improvements, naming the insurer as obligee, has been furnished it, provided that if the policy to be issued is to be less than 50% of the cost of such improvements, such corporate bond shall be in the face amount of the policy only.
4. If improvements exceeding \$500 have been made within such statutory lien period, and no such bond as provided for under no. 3 above has been furnished the insurer, but such requirements and conditions as the insurer may impose for its protection have been met to its satisfaction and the following charges, in addition to the regular premium for insurance, have been paid:
  - A. If the protection is to be given in an owner's policy,  
UP TO \$50,000 \$2.50 per thousand  
OVER \$50,000 UP TO \$100,000 \$2.00 per thousand  
OVER \$100,000 UP TO \$500,000 \$1.50 per thousand  
OVER \$500,000 UP TO \$1,000,000 \$1.00 per thousand  
OVER \$1,000,000 UP TO \$2,000,000 \$ .75 per thousand  
OVER \$2,000,000 \$ .50 per thousand
  - B. If the protection is to be furnished in a loan,  
UP TO \$50,000 \$2.00 per thousand  
OVER \$50,000 UP TO \$100,000 \$1.50 per thousand  
OVER \$100,000 UP TO \$500,000 \$1.00 per thousand  
OVER \$500,000 UP TO \$1,000,000 \$ .75 per thousand  
OVER \$1,000,000 UP TO \$2,000,000 \$ .50 per thousand  
OVER \$2,000,000 \$ .25 per thousand
  - C. If owner's and loan policies are to be issued simultaneously and both are to protect against mechanic's and materialmen's liens, the only rate to be charged, in addition to premium for such policies, shall be that set forth under Paragraph A above and there will be no additional premium charge for protection in the loan policy. If the coverage against unfilled mechanic's and materialmen's liens is only afforded in the loan policy and not in a simultaneously issued owner's policy, the rate to be charged for this coverage shall be that set forth in Paragraph B above.
5. If a loan policy insuring a mortgage which takes priority over liens other than laborers' liens, is to be issued in advance of construction, and no such bond as provided for under No. 3 above has been furnished the insurer, and such requirements and conditions as the insurer may impose for its

protection are met to its satisfaction, and the charges provided for under Paragraph B of Section 4 above have been paid, based upon 50% of the face amount of the policy to be issued.

#### RESIDENTIAL CONSTRUCTION LOAN POLICY

The rate for title insurance on Residential Construction Loan transactions will be \$1.00 per \$1,000 of insurance. This rate shall be applied to those transactions that involve insuring short-term construction financing for the benefit of developers of residential subdivisions and/or condominium projects. The reduced rate contained herein is based on the anticipation of acquiring further business from the permanent financing loan insurance following completion of improvement or the subsequent owner's and lender's insurance on the individual lots or units to residential purchasers and their purchase money lenders. The policy shall be valid for 24 months from the date of the policy. The policy issued at this rate shall not entitle the insured or any future owner or lender to a reissue rate.