



## **UNDERWRITING BULLETIN**

**To:** All Missouri WFG Policy Issuing Agents

**From:** Underwriting Department

**Date:** November 5, 2012

**Bulletin No.:** MO-11052012

**Re:** Time periods - Policy issuance and premium remittance.

The Missouri Department of Insurance, Financial Institutions and Professional Regulations has asked WFG National Title to remind our agents of the provisions of Missouri law relating to the time periods for policy issuance and premium remittance. Section 381.038.3 of the Missouri Revised Statutes (<http://www.moga.mo.gov/statutes/C300-399/3810000038.HTM>) requires that a title agency or title agent promptly issue each title insurance policy within forty-five days after compliance with the requirements of the commitment for insurance. This Section also requires that the agent remit all premiums within the time frames set forth on the agency agreement, but in no event longer than 60 days after receiving an invoice from the underwriter.

Section 20CSR 500-7.090 of the Missouri Code of State Regulations (<http://sos.mo.gov/adrules/csr/current/20csr/20c500-7.pdf>) sets forth special circumstances that may allow issuance of the policy beyond 45 days. In essence those circumstances are that the deed and/or security instrument creating the insured interest has been filed with but not yet recorded by the respective recorder of deeds or that the fee(s) for the policy, commitment and/or recording fees have not been tendered to the agent. The burden of proof as to these special circumstances is on the title agent or agency.

The Department considers the failure to promptly issue each title insurance policy within forty-five days to be a knowing commission in conscious disregard of the statute, and the agent or agency will be subject to enhanced penalties pursuant to Section 374.049.7 of the Missouri Revised Statutes (<http://www.moga.mo.gov/statutes/C300-399/3740000049.HTM>). The increase in such penalties may result in the levy of a penalty by the Department of \$1,000 per infraction up to \$50,000 per annum for the first such offense.

As part of the Annual On-Site review pursuant to Section 20 CSR 500-7.080, all underwriters are required to report to the Department on an annual basis the average time for policy issuance so that the Department can monitor compliance.

Given the significant penalties involved, WFG National Title urges you to promptly put strict programs in place to insure that your policies are issued within the required time frame of the statute. The entire WFG National Agency Support Team stands ready to assist agents in complying with these requirements.

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.