

## WFG Rate and Form Bulletin



To: All New Jersey Policy Issuing Agents of WFG National Title Insurance Company  
From: WFG Underwriting Department  
Date: April 19, 2016  
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Subject: 2016-01 Rate Filing - Revisions to the NJ Manual of Rates and Charges

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The New Jersey Land Title Insurance Rating Bureau has received approval for several revisions to the Manual of Rates and Charges. **These changes are applicable for all applications or orders for title insurance received on or after May 2, 2016. The attached version of the Manual of Rates and Charges is also effective on May 2, 2016.**

**Revisions to the Manual of Rates and Charges have been made and approved in the following sections:**

- 1. Article 1: Definitions**
- 2. Article 2: Methods of Operation**
- 3. Article 3: General Rules**
- 4. Article 4: Schedule of Rates**
- 5. Article 5: Examination and Search Charges**
- 6. Article 6: Settlement Charges**
- 7. Article 7: Miscellaneous Charges**
- 8. Article 10: Endorsements**
- 9. Appendix: Examples**

### **Article 1: Definitions**

Within the Manual of Rates and Charges the word “Insurer” and the phrase “Title Insurance Agent” are defined terms, both of which have been capitalized to distinguish them from terms which are not defined. In this Article 1, the capitalization of these defined terms resulted in amendments to the following **Sections, 1.1, 1.3, 1.7, 1.9, 1.9(a), 1.9(b), 1.10, 1.11 and 1.12.**

In **Section 1.9, 1.9(a) and 1.9(b)** the existing description of the phrase “Settlement Charge” was amended to make it clear what closing and settlement-related functions are included therein.

In **Section 1.10** a sentence was added to make it clear that nothing contained in the Manual of Rates and Charges shall be construed to extend the authority or scope of agency of a Title Insurance Agent beyond that which is set forth in its contract with an Insurer.

## **Article 2: Methods of Operation**

Changes have been made to this Article 2 to capitalize the defined terms “Insurer” and “Title Insurance Agent” as mentioned in Article 1 above. The capitalization of these defined terms resulted in amendments to **Sections 2.1 and 2.2.**

## **Article 3: General Rules**

**Section 3.1.3(b)** was amended to establish that an insured contract vendee, upon acquisition of the fee simple estate, requesting an owner’s policy will be charged the Standard underwriting rate, subject to a credit equal to the amount of the policy premium (exclusive of endorsements and other charges and fees) paid the insuring company for the policy insuring its interest as contract vendee. Also added to this section is the fact that the credit shall only apply where the insured contract vendee requests an owner’s policy insuring the fee simple estate in the same Land from the same Insurer.

Other changes have also been made to this Article 3 to capitalize the defined terms “Insurer” and “Title Insurance Agent” as mentioned in Article 1 above. The capitalization of these defined terms resulted in amendments to **Sections 3.1.2, 3.1.5(a), (b), (c), and (e), 3.2(c), 3.4, 3.4.1, 3.5.1 and 3.5.2.**

## **Article 4: Schedule of Rates**

**Section 4.8** was amended to replace the reference to ALTA Endorsement forms 9-06 and 9.3-06 with reference to ALTA Endorsement form 9.10-06 since (1) ALTA Endorsement for 9-06 (NJR5-95) was withdrawn in New Jersey effective February 15, 2016; and (2) reference to ALTA Endorsement for 9.3-06 is no longer made in ALTA Expanded Residential Loan Policy – Current Assessments (NJR2-17, effective February 15, 2016.)

**Section 4.8** was also amended to delete reference to ALTA 6.1 (NJR5-11) since enhanced policies NJRB 2-11 and NJRB 2-14 were withdrawn effective February 15, 2016 and replaced with NJRB 2-17, which does not include coverage afforded by ALTA 6.1 (NJR5-11).

In addition, **Section 4.8** was amended to remove reference to the Lender’s Survey Endorsement (without survey) for Mortgage Coverage (NJR5-37) and to ALTA 22-06 (NJR5-123) since the Expanded Coverage Residential Loan Policy (NJR2-17) contains coverage in Covered Risk 2(c) and Covered Risk 13(a), respectively and, unlike the Standard Loan Policy, a survey exception is not part of NJRB 2-17 Schedule B-1.

## **Article 5: Examination and Search Charges**

The title to this Article 5 was changed from “Examination Charges” to “Examination and Search Charges” to better describe its contents. This amendment also refines the list of pass-through charges in a **new section 5.3**. Since photocopy charges are now included in the **new section 5.3**, **Section 5.3.2** has been eliminated. The county search is now treated as a pass-through charge, along with Surrogate’s Court searches and tidelands searches in the **new section 5.3**.

Other changes have also been made to this Article 5 to capitalize the defined terms “Insurer” and “Title Insurance Agent” as mentioned in Article 1 above. The capitalization of these defined terms resulted in amendments to **Section 5.1.**

## **Article 6: Settlement Charges**

The title to this Article 6 was changed from “Closing or Settlement Charges” to “Settlement Charges” to better describe its contents.

**Section 6.2.1** was amended and now includes a provision that travel time in excess of one (1) hour shall be charged at the rate of \$25.00 per hour (or fraction thereof).

**Section 6.2.3** was amended to clarify that if the length of the settlement with disbursements, as defined in Section 1.9(a), exceeds 60 minutes, an additional charge of \$100.00 shall be added for each additional hour in excess of the initial 60-minute period. Charges shall be rounded to the nearest whole hour. The charge imposed under this Section shall be in addition to the charges imposed under Sections 6.2.1 and 6.2.2, if applicable. A new sentence was added which allows the issuance of a preliminary estimate based on the average or customary charge.

**Section 6.3** was amended to make it clear that added to the \$150.00 charge for a settlement which does not exceed 60 minutes in length, shall be additional charges set forth in Section 1.9(a) and any other applicable section of the Manual of Rates and Charges.

**Section 6.4.3** was amended to include a provision that with respect to settlements of greater than normal length without disbursements, charges shall be rounded to the nearest whole hour and that a preliminary estimate may be provided, based on the average or customary charge.

**Section 6.4.4** was amended to clarify that upon request, a statement of the total length of time expended on settlement-related function may be provided.

**Section 6.6** was amended to clarify that all of the special risk premium charged for the issuance of the Closing Service Letter shall be retained by the Insurer as it relates to the Insurer's risk.

Other changes have also been made to this Article 6 to capitalize the defined terms "Insurer" and "Title Insurance Agent" as mentioned in Article 1 above. The capitalization of these defined terms resulted in amendments to **Sections 6.1, 6.2.1, 6.3, 6.4.1, 6.4.4 and 6.6.**

#### **Article 7: Other Miscellaneous Charges**

**Section 7.6** was amended to include "closing compliance-related fees or charges imposed on a per-transaction basis by lenders or their third-party vendors" within the definition of Other Miscellaneous Charges.

Other changes have also been made to this Article 6 to capitalize the defined terms "Insurer" and "Title Insurance Agent" as mentioned in Article 1 above. The capitalization of these defined terms resulted in amendments throughout each section of Article 7.

#### **Article 10: Endorsements**

Two scrivener's errors were corrected: (1) changing the word "insurers" to "insures" in the first sentence of **Section 10.37** (ALTA 11-06 – Mortgage Modification); and (2) changing the word "of" to "or" in the first sentence of **Section 10.102** (ALTA 19.2-06 Contiguity – Specified Parcels).

**Section 10.21** (ALTA 3.1-06 – Zoning – Completed Structures) and **Section 10.76** (ALTA 3.2-06 Zoning – Land Under Development) were amended to substitute the phrase "for the amount of insurance being written" for "for the value of transaction" to be consistent with **Section 10.20** (ALTA 3-06 – Zoning).

Other changes have also been made to this Article 10 to capitalize the defined terms "Insurer" and "Title Insurance Agent" as mentioned in Article 1 above. The capitalization of these defined terms resulted in amendments to **Sections 10.5, 10.15, 10.16, 10.17 and 10.97.**

## **Appendix - Examples**

The Example under Section 6.2.3 Settlements of Greater than Normal Length was amended to the following effect:

Example 1 shows that the time at the settlement table and the time performing settlement-related functions are to be added together in order to calculate the total settlement charge.

It shows that the time spent before the settlement and the time spent after the settlement performing settlement-related functions are to be added to the time at the settlement table in order to calculate the total settlement charge.

It shows that the settlement charge for the first 60 minutes performing settlement-related functions (Section 6.1) is \$300.00.

The example shows that the settlement charge for the additional 80 minutes performing settlement-related functions involves the application of the definition of "Settlement Charge" in Section 1.9 (includes settlement-related functions whether performed before, during or after the occurrence of the closing itself), the application of the provisions of Section 6.2.3 relating to rounding, and to the fact that an additional charge of \$100.00 shall be added for each additional hour in excess of the initial 60-minute period.

Example 2 clarifies that when one rounds to the nearest whole hour, that a half hour is rounded up rather than down.

### [NJ Rate Manual Effective 5/2/2016](#)

In preparing for the implementation of the new rate structure, we suggest that you confirm with your software supplier that the required revisions will be available to you by the effective date.

**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.**