



**UNDERWRITING BULLETIN**

**To:** All New Jersey Agents of WFG National Title Insurance Company

**From:** WFG Underwriting Department

**Date:** July 30, 2013

**Bulletin No.:** NJ – 2013-01

**Re:** NJ Rate Increase

The NJ Department of Insurance has approved a 5% rate increase for the New Jersey Title Insurance Rating Bureau. The new rates are effective for all applications on orders for title insurance received on or after September 1, 2013.

The rate increase affects the Standard and Refinance Underwriting Rate Schedules as follows.

<b>Standard Underwriting Rate</b>	<b>Current</b>	<b>Effective 9/1/2013</b>
\$0-\$100,000	5.00	5.25
\$100,001-\$500,000 add	3.95	4.25
\$500,001 -\$2 million add	2.65	2.75
Over \$2 million add	2.00	2.00

<b>Refinance Underwriting Rate</b>	<b>Current</b>	<b>Effective 9/1/2013</b>
\$0-\$100,000	2.50	2.75
\$100,001-\$500,000 add	2.25	2.50
\$500,001-\$2 million add	2.00	2.25
Over \$2 million add	1.50	1.75

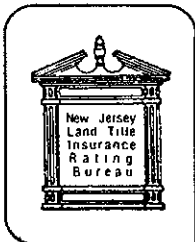
We have attached pertinent pages of the New Jersey Manual that are impacted by this pricing change.

These changes have been widely distributed to all commercial software vendors. We recommend each agent confirm with their vendor that the new rates will be loaded into your system and effective for your use, as appropriate, on or after September 1, 2013. Please remember, these rates apply to NEW ORDERS or APPLICATIONS received on or after the change date.

The updated New Jersey rates will be posted on your AMS site including the Manual and the WFG rate calculator for use on or after the implementation date.

If you have any questions, please contact your local agency representative for clarification.

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.



Office of the Manager  
Edward C. Eastman

**New Jersey  
Land Title Insurance Rating Bureau**

Monmouth Executive Center, 100 Willowbrook Road, Building 1, Freehold, NJ 07728 • (732) 683-9660 • Fax (732) 462-8955

July 29, 2013

Gary Joy  
Department of Banking & Insurance  
20 West State Street  
P.O. Box 325  
Trenton, NJ 08625-0325

**RE: Company File No.: 2012-04  
State File No.: 12-2129**

Dear Mr. Joy:

In response to the Commissioner's approval of the above-referenced filing effective September 1, 2013, I enclose herewith the following:

- 1) Manual of Rates and Charges:
  - a) Cover page;
  - b) Pages 4-1 through 4-5; and
  - c) Appendix Pages A-1 through A-6;

Thank you.

Very truly yours,

EDWARD C. EASTMAN, JR.  
Manager

ECE/lh  
ENCLS.

cc: Guy V. Amoresano, Esq.  
Rating Bureau Members

**NEW JERSEY LAND TITLE INSURANCE RATING BUREAU**

**MANUAL OF RATES AND CHARGES**

**Monmouth Executive Center  
100 Willow Brook Road  
Suite 100  
Freehold, NJ 07728  
732/683-9660  
Fax 732/462-3340**

**EFFECTIVE DATE**

This Rate Manual contains the rates, fees and charges approved by the Commissioner of Banking and Insurance for all applications or orders for title insurance received on or after September 1, 2013.

## 4 SCHEDULE OF RATES

### 4.1 UNDERWRITING RATE SCHEDULES - MINIMUM CHARGE

The minimum underwriting charge in any transaction shall be \$200.00.

### 4.2 STANDARD UNDERWRITING RATE SCHEDULE

The standard underwriting rate for either owner's insurance, leasehold insurance, or mortgage insurance, shall be calculated according to the following rate schedule:

Policy Liability	Rate per \$1,000 or Fraction Thereof
\$0-\$100,000 .....	\$5.25
\$100,001-\$500,000 .....	add \$4.25
\$500,001-\$2 million .....	add \$2.75
Over \$2 million .....	add \$ 2.00

### 4.3 REISSUE UNDERWRITING RATE SCHEDULE

[This section deleted March 1, 2009. See Section 4.2 entitled STANDARD UNDERWRITING RATE SCHEDULE.]

### 4.4 UNDERWRITING RATE APPLICABLE TO LOT DEVELOPMENT, SUBDIVISION, OR CONDOMINIUM REGIMES

[This Section deleted March 1, 2009. See Section 4.2 entitled STANDARD UNDERWRITING RATE SCHEDULE.]

### 4.5 UNDERWRITING RATE APPLICABLE TO DEVELOPMENT OR CONSTRUCTION LOANS

The underwriting rate for a construction loan binder, commitment or policy of title insurance insuring the priority of a temporary construction mortgage which is to be paid off within three (3) years of the recording of said

mortgage shall be \$1.00 for each \$1,000.00 of liability or fraction thereof, payable at the time that insurance liability is incurred. At the end of the said three-year period, said insurance coverage shall terminate. Prior to said termination, the insured may elect to obtain a permanent policy of title insurance. If a mortgagor requests owner's insurance or obtains substitute financing and title insurance is sought from the same insurer, the standard underwriting charge shall apply except that a credit of \$1.00 per \$1,000.00 of liability of the permanent policy shall be credited against the underwriting charge for that policy. Said credit, however, shall not exceed the amount paid for the three-year construction loan binder, commitment or policy.

The word "binder" as used herein does not refer to the search or examination of title, but to the underwriter's undertaking to insure.

**4.6 UNDERWRITING RATES FOR REFINANCE, RECAST OR SUBSTITUTION LOANS, AND MORTGAGE OR LEASEHOLD MODIFICATION AGREEMENTS.**

**4.6.1 REFINANCE, RECAST OR SUBSTITUTION LOANS**

When a refinance, recast or substitution loan is made to the same borrower on the same property, the following rates shall apply to so much of the new policy as represents the face amount of the mortgage or mortgages other than construction loans being refinanced:

Policy Liability	Rate per \$1,000 or Fraction Thereof
\$0-\$100,000 .....	\$2.75
\$100,001-\$500,000 .....	add \$2.50
\$500,001-\$2 million .....	add \$2.25
Over \$2 million .....	add \$1.75

The rate to be applied to the liability assumed, if any, over and above that which is eligible for the refinance, recast or substitution loan rate set forth above, shall be calculated using the standard underwriting rate in the applicable bracket or brackets.

**4.6.2 MORTGAGE OR LEASEHOLD MODIFICATION AGREEMENTS**

When a mortgage or leasehold modification or extension agreement is executed, the underwriting charge for an endorsement to the existing policy or a new policy insuring the modification or extension agreement shall be based upon the following rates up to the amount of the mortgage or lease being modified, provided that the loan being modified or extended is not a construction loan, and the property is identical to or included within the property previously insured.

Policy Liability	Rate per \$1,000 or Fraction Thereof
\$0-\$100,000 .....	\$1.75
\$100,001-\$500,000 .....	add \$1.50
\$500,001-\$2 million .....	add \$1.25
Over \$2 million .....	add \$1.00

The rate to be applied to the liability assumed, if any, over and above that which is eligible for the mortgage or leasehold modification rate set forth above, shall be calculated using the standard underwriting rate in the applicable bracket or brackets.

**4.7 MORTGAGE FORECLOSURE INSURANCE**

When an applicant requests a search and insurance for use in connection

Insurance Policy shall be issued. Such a policy will provide for a minimum liability of \$10,000.00, and the underwriting charge shall be \$500.00, plus pass-through charges as provided in Section 5.3.1. The \$500.00 underwriting charge shall be due and payable at the time the application is made. If the applicant requests insurance coverage greater than \$10,000.00, the underwriting charge for such additional insurance shall be based upon the refinance rate. The charge will include one continuation through the filing of the Notice of Lis Pendens. If additional continuations are requested, the charge for each such continuation shall be \$45.00 plus pass through charges.

#### 4.8 ENHANCED COVERAGE POLICIES AND ENDORSEMENTS

Enhanced coverage owners and loan policies, for one-to-four family residential transactions only, are available upon request. A Bureau member may use a specific or proprietary name or trademark to identify its enhanced coverage policies. The underwriting charge for the issuance of such policies shall be 120% of the otherwise applicable underwriting charge in that transaction. Included in the enhanced coverage loan policy is coverage otherwise given by the following endorsements: ALTA 9-06 and 9.3-06 (NJRB 5-95 and 5-98); ALTA 8.1-06 (NJRB 5-94); ALTA 6-06, 6.1 and 6.2-06 (NJRB 5-91, 5-11, 5-92); ALTA 4.1-06 (NJRB 5-89); ALTA 5.1-06 (NJRB 5-90); ALTA 22-06 (NJRB 5-123); and the Lender's Survey Endorsement (without Survey) for mortgage coverage (NJRB 5-37). No additional charge will be made with the enhanced coverage loan policy for coverage normally given by these endorsements. Other charges and



endorsements, such as the simultaneous fee and the owners survey endorsement, will be billed as specified in the Rate Manual.

#### 4.9 BALLOON LOAN MODIFICATION LIMITED POLICY

The Balloon Loan Modification Limited Policy may be issued to insure the continued validity and priority of a balloon loan modification agreement modifying a balloon loan mortgage on a one-to-four family residential property. The underwriting charge for this policy shall be \$200.00 together with, an Examination Charge of \$100.00 and such other pass through charges for other required searches pursuant to Section 5.3.1 and 5.3.2 herein.

#### 4.10 ENDORSEMENTS INCORPORATED BY REFERENCE

Whenever a policy form incorporates by reference, or permits incorporation by reference (through use of a check-off box or similar device), an endorsement for which a separate charge is provided under this *Manual*, the charge for those endorsements required by the applicant or the insured shall be made in addition to the underwriting charge for the issuance of the policy. This section shall *not* apply to policies referred to in Sec. 4.8 of this *Manual* ("Enhanced Coverage Policies").

## APPENDIX – EXAMPLES

The following examples are illustrative of the calculation of underwriting charges pursuant to the Manual Section referenced in the heading for each example.

### 3.2.1 SIMULTANEOUS ISSUANCE OF OWNER'S AND LEASEHOLD POLICIES

EXAMPLE: All of the following policies are simultaneously issued: (a) owner's policy for \$10 million, (b) fee loan policy for \$7 million, (c) leasehold owner's policy for \$8 million, and (d) leasehold loan policy for \$6 million.

The fee to be charged is \$27,905.00 and is calculated as follows:

\$0-\$100,000	\$5.25 x 100	=	\$525.00
\$100,001-\$500,000	\$4.25 x 400	=	\$1,700.00
\$500,001-\$2,000,000	\$2.75 x 1500	=	\$4,125.00
\$2,000,001-\$8,000,000	\$2.00 x 6,000	=	\$12,000.00
Sub-Total (\$8 Million Coverage)			\$18,350.00
Leasehold Owners Policy (30%)			\$5,505.00
\$8,000,001-\$10 million	\$2.00 x 2,000	=	\$4,000.00
Total Underwriting Charge			\$27,855.00
Two simultaneously issued policies @ \$25.00			\$50.00
Total Charges			\$27,905.00

### 3.4 SIMULTANEOUSLY ISSUED POLICIES - STANDARD AND ENHANCED COVERAGE

In a purchase transaction, the lender requests the enhanced coverage loan policy, but the owner wishes to purchase the standard coverage policy. The purchase price is \$300,000, with a mortgage loan of \$150,000. The underwriting charge is \$1,523 and is calculated as follows:

\$0-\$100,000 (standard rate)	\$5.25 x 100	=	\$525.00
\$100,001-\$150,000 Rounded (Section 3.1.4) becomes	\$4.25 x 50	=	\$212.50 \$213.00
Subtotal			\$738.00
Enhanced Coverage Additional Charge (Section 4.8)			
	\$738 x 1.2 (120%)	=	\$885.60
\$150,001-\$300,000	\$4.25 x 150	=	\$637.50
Total underwriting charge			\$1,523.10
Rounded (Section 3.1.4) becomes			\$1,523.00

In addition a charge of \$25 is made for the simultaneous issuance of two policies.

#### 4.2. STANDARD UNDERWRITING RATE SCHEDULE

EXAMPLE 1: The standard underwriting charge on a closing involving the purchase of a \$175,000 property is \$844.00 and is calculated as follows:

\$0-\$100,000	\$5.25 x 100	=	\$525.00
\$100,001-\$175,000	\$4.25 x 75	=	\$318.75
Total underwriting charge			\$843.75
Rounded (Section 3.1.4) becomes			\$844.00

EXAMPLE 2: The underwriting charge on a closing involving the purchase of a \$148,250 property is \$733.00 and is calculated as follows:

\$0-\$100,000	\$5.25 x 100	=	\$525.00
\$100,001-\$148,250	\$4.25 x 49	=	\$208.25
Total underwriting charge			\$733.25
Rounded (Section 3.1.4) becomes			\$733.00

(NOTE: The rate schedule provides a rate per \$1,000 of liability or a fraction thereof.)

EXAMPLE 3: The standard underwriting charge on a closing involving the purchase of a \$13,900 property is \$200.00. The minimum underwriting charge in section 4.1 applies to this transaction and not the schedule of standard underwriting rates in section 4.2

#### 4.5 UNDERWRITING RATE APPLICABLE TO DEVELOPMENT OR CONSTRUCTION LOANS

EXAMPLE 1: A builder purchases a tract for construction of a commercial facility and pays \$190,000 for the land. At a later time he obtains \$840,000 of construction funds.

- (1) If he wishes to purchase owner's insurance to cover the \$190,000 land acquisition, he pays for the insurance at the standard rate schedule: \$525.00 for the first \$100,000 of insurance and \$383.00 in the bracket from \$100,001 to \$190,000, for a total cost to him of \$908.00.
- (2) If, after issuance of the owner's policy, the builder also wishes insurance protection for the \$840,000 construction loan, he pays \$840.00 for a three-year construction loan policy.
- (3) If the builder subsequently wishes to increase his owner's policy from \$190,000 to \$1,200,000, he will pay the standard underwriting rate that for a \$1,200,000 policy, less the credit given for the construction loan underwriting charges previously paid, as follows:

\$0-\$100,000 (standard rate)	\$5.25 x 100	=	\$525.00
\$100,001-\$500,000 (standard rate)	\$4.25 x 400	=	\$1,700.00
\$500,001-\$1,200,000 (standard rate)	\$2.75 x 700	=	\$1,925.00
Total Underwriting Charge			\$4,150.00
Credit prior loan policy			(\$840.00)
Balance Owing			\$3,310.00

(NOTE: If the builder simultaneously requests a mortgage policy for a \$1,000,000 permanent loan, it will be issued for an added charge of \$25.00.)

EXAMPLE 2: A builder who did not purchase title insurance on his land acquisition obtains a construction loan policy for \$1,700,000 to cover a tract consisting of 28 lots for \$1,700.00. At the end of three years, the builder has 8 lots remaining. He elects to obtain a permanent loan policy insuring the remaining lots for a total of \$550,000. The applicable underwriting charge is \$1,813.00 and is calculated as follows:

\$0-\$100,000	\$5.25 x 100	=	\$525.00
\$100,000-\$500,000	\$4.25 x 400	=	\$1,700.00
\$500,001-\$550,000	\$2.75 x 50	=	\$137.50
Total Underwriting Charge			\$2,362.50
Rounded becomes:			\$2,363.00
Credit: \$1.00 per \$1,000 of liability of the permanent loan policy of \$550,000			(\$550.00)
Balance Owing:			\$1,813.00

#### 4.6.1 REFINANCE, RECAST OR SUBSTITUTION LOANS

EXAMPLE: A \$100,000 purchase money mortgage was obtained when the property was acquired by its present owners. Subsequently a home equity loan in the face amount of \$50,000 was obtained. Interest rates have come down, and the mortgagors want to refinance by obtaining a new mortgage in the amount of \$160,000. The rate to be charged is \$443.00 and is calculated as follows:

\$0-\$100,000 (refinance rate)	\$2.75 x 100	=	\$275.00
\$100,001-\$150,000 (refinance rate)	\$2.50 x 50	=	\$125.00
\$150,001-\$160,000 (standard rate)	\$4.25 x 10	=	\$42.50
Total underwriting charge			\$442.50
Rounded becomes			\$443.00