



UNDERWRITING BULLETIN

FROM: Midwest Agency Underwriting

DATE: August 20, 2014

TO: All Ohio Policy Issuing Agents of WFG National Title Insurance Company

BULLETIN No.: OH – 2014-03

SUBJECT: New Rates/Forms Effective September 1, 2014

The Ohio Department of Insurance has approved new Rates and Forms filed by the Ohio Title Insurance Rating Bureau. **These Rates and Forms are effective for all orders received on or after September 1, 2104.**

The filing encompasses several new endorsements, revisions to existing policy forms, and revised rate rules for certain endorsements/coverages including a change to the premium calculation for the ALTA 11.0-06.

A Rate Manual dated September 1, 2014 is attached as are the new endorsements and revised policy forms referenced below.

New Endorsements:

1. ALTA Endorsement 11.1-06 Mortgage Modification with Subordination Endorsement (10-22-09)

This endorsement is issued in conjunction with a loan policy only. The endorsement provides limited coverage due to the invalidity or unenforceability of the insured mortgage due to a modification, lack of priority of the insured mortgage at the date of endorsement, and that the liens listed in Endorsement Paragraph 3 have been subordinated to the lien of the insured mortgage.

The rate for this endorsement is \$.50 per thousand of the Amount of Insurance with a \$175.00 minimum. However, if the endorsement is issued simultaneously with a new Owners Policy on the same Land, the rate shall be a flat \$100. (SI rate will primarily be applicable when a buyer is assuming a mortgage.)

2. ALTA Endorsement 11.2-06 Mortgage Modification with Additional Amount of Insurance (12-02-13)

This endorsement is issued with a loan policy when the terms of the insured mortgage are being modified and/or the face amount of the original mortgage is being increased.

The premium calculation for this coverage has been changed from the method used in the past!

The rate for this endorsement is fifty cents (\$.50) per thousand on the Amount of Insurance prior to the modification of the mortgage plus additional premium for the increase in the Amount of Insurance at the Original Rate. The additional premium for the increased insurance is calculated under Rate Rule PR-8, beginning within the highest bracket where the original policy amount was calculated. The Minimum rate is \$175.00.

Example: An existing mortgage loan with an existing Loan Policy is being modified to, among other matters, increase the amount of the mortgage loan from \$1,500,000.00 to \$2,500,000.00. The Amount of Insurance stated on the Loan Policy is the original amount of the mortgage loan, \$1,500,000.00. The additional premium for the “new money” of \$1,000,000 is based upon the Original Rate at \$2.25 per thousand (\$500,000 to \$10,000,000 Loan Policy Bracket) and is calculated as follows:

$\$1,500,000.00 \div \$1,000.00 = \$1,500.00 \times \$0.50 =$	\$ 750.00
$\$1,000,000.00 \div \$1,000.00 = \$1,000.00 \times \$2.25 =$	<u>2,250.00</u>
Total premium	\$3,000.00

3. ALTA 42-06 Commercial Lender Group Endorsement (12-2-2013)

This endorsement is issued with Loan Policies only when the “lender” consists of multiple parties (“Participants”). The endorsement provides that a “Participant” is an Insured and provides limited coverage in the event a “Participant” transfers a portion of the indebtedness to another after the Date of Policy.

The rate for this endorsement is \$500.00.

4. ALTA 43-06 Anti-Taint Endorsement (12-2-2013)

This endorsement is issued in connection with a Loan Policy only when the indebtedness secured by the mortgage consists of portion which is a fixed credit line (“Term Loan”) and a revolving credit line (“Revolving Credit Loan”). The endorsement provides limited coverage due to a loss of priority of the insured mortgage relative to the “Term Loan” portion due to reductions and increases of indebtedness in the “Revolving Credit Loan”.

Please note that this endorsement does not provide the coverage found in the ALTA 14 series (Future Advance) and it is anticipated that an ALTA 43-06 will be issued in conjunction with some form of ALTA 14.

The rate for this endorsement is \$500.00.

5. ALTA 44-06 Insured Mortgage Recording Loan Endorsement (12-2-2013)

This endorsement is issued in conjunction with a Loan Policy only. The endorsement provides limited coverage in the event the insured mortgage is not actually recorded in the Public Records.

The rate for this endorsement is \$50.00.

Revised Policy Forms:

Please update your forms accordingly and discontinue use of prior versions for orders received on or after September 1, 2014.

1. ALTA Residential Limited Coverage Junior Loan Policy Revised 8-1-2012
2. ALTA Homeowner’s Policy Adopted 10-17-98, Revised 10-22-02, 01-01-08, 02-03-10, 12-02-13
3. ALTA Expanded Coverage Residential Loan Policy –OH Adopted 10-13-01, Revised 07-26-10, 12-02-13

4. ALTA Short Form Expanded Coverage Residential Loan – OH Revised 01-01-08, Technical Correction 06-23-11, Revised 04-02-14
5. Preliminary Judicial Report (9/1/2014); Please note that only the base PJR form has changed. The Final Judicial Report, Supplemental Judicial Report and the PJR Extended Coverage Endorsement have not been changed.

REVISED RATE RULES:

1. ER-33 Construction Loan Disbursement

The Rate Rule has been modified to provide that the ALTA 33-06 endorsement may be issued where the policy has been endorsed by the ALTA 32.0-06, 32.1-06 or 32.2-06. Previous versions of this Rule did not include the ALTA 32.2-06. Otherwise, this Rate Rule is unchanged and the Rate remains \$100.

2. ER-101 OTIRB–101 Survey Coverage Loan Policy

There are two changes to this Rate Rule. First, prior versions of this Rate Rule referred to the coverage as an “endorsement”. The Rate applies whether this coverage is given by deletion or omission of a standard exception for survey matters or the coverage is provided via endorsement.

Due to changes in the coverages provided by the ALTA 9 series, this Rate Rule has been modified to provide that the premium for this coverage is \$25.00 only when an ALTA 9.0-06 is issued on the same policy. The previous version of this Rule provided that the premium was \$25 when either an ALTA 9.0-06 or 9.3-06 was issued. All other portions of the Rate Rule are unchanged. The summary of the rate for this coverage is:

- A. \$50 (Original Rate)
- B. \$25 when an ALTA 9.0-06 is issued on the same policy
- C. No charge when the Survey Exception is deleted on the Owners Policy issued simultaneously with the Loan Policy.

3. ER-101.1 OTIRB-101.1 Survey Coverage, Owners Policy

Prior versions of this Rate Rule referred to the coverage as an “endorsement”. The Rate of \$100 applies whenever the coverage is provided on an owners policy regardless of whether a standard exception for survey matters is deleted or omitted from the policy or the coverage is provided via an endorsement.

4. ER-11 Mortgage Modification

The method for calculating this Rate has changed.

Previous versions of this Rate Rule provided the Rate was on the unpaid principal balance of the mortgage. **The new rate is \$.50 per thousand on the Amount of Insurance.**

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.