



Ask Your Underwriter

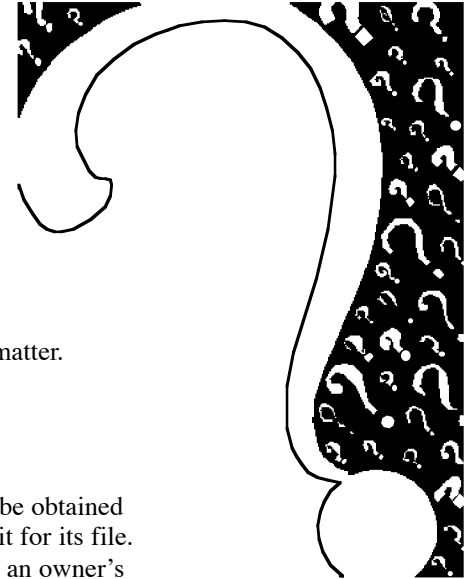
■ *Linda M. Hernandez, Florida State Underwriter*

Question:

The other day, I called another underwriter because I was trying to cure a missing Satisfaction of Mortgage in my chain. I had in hand a Mortgagee policy issued by them, and they are one of the underwriters/participants in the Treaty. They refused my request for an indemnification letter and also told me that the Treaty did not cover the matter. Are they correct?

Answer:

Yes. Coverage under the Treaty or by letter of indemnification can only be obtained if you can rely on an OWNER's policy AND the agent retains a copy of it for its file. The rationale for this requirement is that the underwriter's liability under an owner's policy does not end. Under a mortgagee policy, the underwriter's liability terminates when the mortgage is satisfied, and there is no reason for the company to extend its liability either through the Treaty or by issuance of an Indemnification Letter.



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