



Ask Your Underwriter

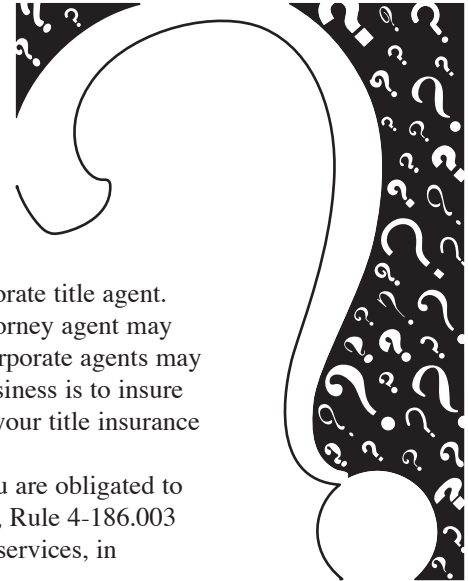
■ Linda M. Hernandez, Florida State Underwriter

Question: Our corporate agency wants to charge a document preparation fee. Is such a charge permitted?

Answer: No; a “document prep” fee is NOT a permitted charge by a corporate title agent. The Florida Bar v. McPhee, 195 So.2d 552, Fla. (1967). On the other hand, an attorney agent may charge for the preparation of documents. The underlying rationale is that while corporate agents may prepare any documents *incident* to the issuance of title insurance, their primary business is to insure titles—not practice law. The preparation of a deed or mortgage NOT required by your title insurance commitment is the unauthorized practice of law.

There is no question you are entitled to receive payment and, in fact, that you are obligated to receive payment for your services. Section 690-186.003(11) (a), F.A.C. (formerly, Rule 4-186.003 (13), F.A.C.) demands that the agent charge “at least *actual cost*” for “related title services, in addition to the adopted risk premium.”

Further, Section 690-186.003 (11) (b), F.A.C. (formerly, Rule 4-186.003(13) (b) F.A.C.) requires that the agent charge for “related title services (title search, examination and closing)...” and “show (them) separately on the closing statement.” We believe the statute clearly defines the scope of the “related title services”—search, exam, settlement or closing fees. Document preparation fees are NOT listed.



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Old Republic National
Title Insurance Co.

100 S. Ashley Drive, Suite 700
Tampa, Florida 33602

