



Ask Your Underwriter

■ *Linda M. Hernandez, Florida State Underwriter*

Question: Many of the title agents in our area charge more than the promulgated rate for title insurance. Aren't all title companies supposed to charge the same title premiums?

Answer: Absolutely! Title insurance rates are set by the Department of Financial Services and apply to all underwriters and their agents. The Department's Rules, as set forth in the Administrative Code, clearly state what the rates SHALL be.

The only exceptions permitted under those rules are for reissue, substitution, and first sales out of the builder. The reissue rate is available when the seller in a buy/sell transaction provides the agent with a copy of his owner's policy that is three (3) years old or less or, in the case of a borrower, when the borrower provides the agent with a copy of it, regardless of age. The substitution loan rate is also available under limited circumstances—when the same borrower and the same lender make a "substitution" loan covering the same property or, in the case of a mortgage over \$250,000.00, when the same borrower makes a "substitution" mortgage on the same property with any lender. For first sales out of a builder of residential property with one to four family improvements, the rules provide for a discount equal to the amount of premium paid for any prior loan policy on the property. Other than these, there are NO exceptions to the rules.

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