

FLORIDA BULLETIN 05-02

TO: ALL AGENTS AND TITLE PLANT OPERATIONS
FROM: UNDERWRITING DEPARTMENT
DATE: July 29, 2005
RE: TITLE INSURANCE RE-ISSUE RATES / CLASS-ACTION LITIGATION

As the attached July 26, 2005 directive from Daniel Wold, General Counsel of Old Republic National Title Insurance Company, indicates, Old Republic's national policy on re-issue rates is clear and strong. In Florida, we **require** that our agents charge re-issue rates under the "legally appropriate circumstances" defined in Rule 69O-186.003(2)(b) of the Florida Administrative Code:

Provided a previous owner's policy was issued insuring the seller or the mortgagor in the current transaction and that both the reissuing agent and the reissuing Underwriter retain for their respective files copies of the prior owner's policy, the reissue premium rates in paragraph (a) shall apply to:

- 1. Policies on real property which is unimproved except for roads, bridges, drainage facilities, and utilities if the current owner's title has been insured prior to the application for a new policy;**
- 2. Policies issued with an effective date of less than 3 years after the effective date of the policy insuring the seller or mortgagor in the current transaction;
or**
- 3. Mortgage policies issued on refinancing of property insured by an original owner's policy which insured the title of the current mortgagor.**

If you have any questions about whether or not re-issue rates apply to your particular circumstances, please do not hesitate to call our Underwriting Department immediately for assistance.

**This Bulletin is to become a permanent part of your Bulletin Manual,
and you are to comply with the requirements contained herein.**

MEMORANDUM

TO: All Agents (Nationwide)

FROM: Daniel Wold, General Counsel
Old Republic National Title Insurance Company

DATE: July 26, 2005

RE: Title Insurance Re-Issue Rates/Class-Action Litigation

As many of you have recently learned, a number of class-action lawsuits have recently been filed against title insurers over the issue of whether proper re-issue rates were charged under applicable and legally appropriate circumstances.

Old Republic's policy has always been to advise its agents to charge re issue rates where legally appropriate and applicable. Even though each state's laws and regulations vary, Old Republic cannot condone deviation from the accurate application of our rates. We believe it is critical that you consult your appropriate counsel and verify that you are complying with the rules and regulations applicable to re-issue rates in your state. Procedures should also be reviewed from time to time, to ascertain that correct re-issue rates are charged. Equally important is maintaining files and records to evidence compliance. Class-action suits, whether meritorious or not, are very costly and time consuming to defend. A small investment in oversight now may avoid costly litigation in the future.