



OLD REPUBLIC
National Title Insurance Company

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Bulletin

To: All Agents, Direct Operations and Attorneys for the State of Texas
From: David W. Rhodes
Date: September 4, 2002
Re: Rate Decrease, Endorsement Rates Set—Effective November 1, 2002

Texas Insurance Commissioner Jose Montemayor issued his Order concerning Rates from the 2000 Title Insurance Biennial Hearing on Friday, August 23.

Effective November 1, 2002, the schedule of Basic Premium Rates will be reduced by 6%.

Rates were set for the following new endorsements at \$25.00:

T-14	First Loss Endorsement
T-15	Last Dollar Endorsement
T-16	the Mortgagee Policy Aggregation Endorsement
T-17	Planned Unit Development Endorsement

The rates for T-19—Restrictions, Encroachments and Minerals Endorsement have been set as follows:

Residential Real Property shall be 5% of the Basic Rate but not less than \$25.00.

Non-residential Real Property shall be 10% of the Basic Rate but not less than \$25.00.

The Commissioner's Order also adopts a new Rate Rule R-27, which sets the rate for the Texas Residential Limited Coverage Residential Junior Mortgagee Policy (T-44) and its Endorsements.

The premium for the T-44 shall be as follows:

1. Policy amount up to \$10,000.00, the premium is \$150.00;
2. Policy amount more than \$10,000.00, the premium is \$175.00;
3. Policy amount more than \$50, 000.00, the premium is \$200.00.

The T-44 cannot be issued in amounts over \$100,000.00.

There are three endorsements that can be issued to the Texas Residential Limited Coverage Residential Junior Mortgagee Policy as set out in Procedural Rule P-46.

P-46.B is the Additional Coverage Endorsement and the premium is \$25.00

P-46.C is the Down Date Endorsement and the premium is \$50.00

P-46.D is the Variable Rate Endorsement and the premium is \$25.00

Remember these three endorsement forms can only be attached to Form T-44 and not the regular mortgagee policy (T-2).

New Rate for Survey Deletion:

Rate Rule R-16 has been amended so that if you amend the area and boundaries language in the residential Owner Policy (T-1R), the charge will drop from 15% of the Basic Rate to 5% of the Basic Rate with a minimum of \$25.00. In other words, the rate stays the same for a deletion of the Survey language in the Owners Policy

(T-1) but drops to 5% of the Basic Rate with a minimum charge of \$25.00 for a Residential Owners Policy (T-1R).

New Rate for Tax Free Exchange Transactions:

Rate Rule R-2 has been amended to add a new section (d) which applies to Tax Free (§1031) Exchanges. The new language follows:

(d) When a qualified intermediary under Internal Revenue Code §1031 takes title on behalf of the ultimate owner (the person making the exchange and receiving the tax benefit), Schedule A of the policy should be prepared as follows:

1. Name of Insured: (Alternative 1) John Doe
(Alternative 2) Jane Smith (insert "trustee", "on behalf of", "qualified intermediary" or other designation of capacity as approved by the underwriter, based on the wording of the applicable deed), and John Doe, as their interest may appear.
2. Title to the estate or interest in land is insured as vested in: Jane Smith (insert exact designation of capacity as shown in deed).

Texas Residential Owner Policy of Title Insurance

1. Name of Insured: Jane Smith (insert "trustee", "on behalf of", "qualified intermediary" or other designation of capacity as approved by the underwriter, based on the wording of the applicable deed), and John Doe, as their interests may appear.

An issued policy should not be altered or endorsed after the deed from the intermediary to the ultimate owner, to change the insured to reflect the name of the name of the ultimate owner. Rate Rule R-2 strictly prohibits passing through the title insurance premium on multiple conveyances unless proper disclosure is made and the deed to all conveyances are delivered to the title or closing agent simultaneously and without condition. However, if title coverage is issued as outlined above, the provisions of R-2 as to the pass through premium are not applicable because the policy is issued in the transaction in which the premium was collected.

Rate Rule R-11.e has been amended to set rates for the recently promulgated Manufactured Housing Endorsements T-31 and T-31.1.

When attached to a Mortgagee Policy, The premium for T-31 shall be \$20.00.
The premium for T-31.1 shall be \$50.00.

When attached to an Owners Policy, the fee for T-31.1 is \$50.00.