



Shannon Skurner
Vice President & Texas
Agency Manager
sskurner@oldrepublictitle.com
888-678-1700

Hello.

I am sending you this **Bulletin** to inform you of the **new** coverage and premium rates concerning **Minerals Coverage**.

Regards,
Shannon Skurner



Minerals Coverage

The Commissioner of Insurance has recently issued a **Bulletin** on **Minerals Coverage**. Along with this **Bulletin**, the Texas Department of Insurance issued its Order to promulgate new forms and rates and to amend existing rules and rates.

The effective date of these new coverage and premium rates will be **November 1, 2009**.

Summary

The "Texas Title Information Sheet" has been amended to add a new "**Minerals and Mineral Rights**" paragraph to inform the proposed insured that minerals or mineral rights may not be covered by their title policy - *or*, the Title Company may refuse to issue a title policy without an exception to minerals. This page of the Information Sheet also states that the policy is not an abstract of title and that the Underwriter has no obligation to determine the ownership of any mineral interest.

There are no additional underwriting guidelines in this regard.

You may view the new Bulletin by [clicking here](#).

~~~~~

### **P-5.1: Exceptions or Exclusions Regarding Minerals**

This new procedural rule gives two options for excluding mineral coverage from a policy.

*You can insert language in Schedule A, Item 2 to read as follows:*

- "Subject to, and the company does not issue title to, and excepts from the description of the Land, coal, lignite, oil, gas and other minerals in, under and that may be produced from the Land, together with all rights, privileges and immunities relating thereto."

*On Schedule B, you can use language as follows:*

- "All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed."

Click [here](#) to view the new rule.

If you put the promulgated language in either Schedule A or Schedule B, upon request of the insured, you **must** issue one or more of the new endorsements promulgated as T-19.2 or T-19.3.

### *Underwriting Guidelines*

If you have a plant that allows you to search minerals back to 1900 or earlier and are comfortable with setting out the mineral exceptions that you find, then you do not need to except to minerals in Schedule A or Schedule B as outlined above. If you are in an area that has mineral production or has had in the past and you are not confident that your abstract plant is comprehensive enough to contain the necessary documents, you should except to the minerals, and upon request, issue the T-19.2 or T-19.3.

We suggest you use the Schedule B language rather than excepting to coverage in Schedule A.

---

## **P-50: Restrictions, Encroachments, Minerals Endorsement T-19 & T-19.1**

This procedural rule was amended by removing the language that restricted these endorsements to non-residential property. It will now be available for both residential and non-residential property.

These two endorsements may be issued with T-19.2 or T-19.3.

Click [here](#) to view the new rule.

---

### **P-50.1: Minerals & Surface Damage Endorsements T-19.2 & T-19.3**

P-50.1 applies to those policies which except to mineral coverage by making an exclusion or exception regarding minerals as now provided in Procedural Rule P-50.1:

1. As to property of one acre or less intended for one-to-four family residential use, you **must** issue a T-19.2 endorsement if requested by insured.
2. As to property intended to be improved for office, industrial, retail, mixed use retail/residential, or multifamily purposes, you **must** issue T-19.2 endorsement upon the request by the insured.
3. As to all other real property, upon request by the insured, you **must** issue a T-19.3 endorsement.

If your policy covers a combination of parcels of property of the types described in numbers 1 thru 3 above, upon request by the insured, you **must** issue the applicable endorsement (T-19.2 or T-19.3). This means you may be

issuing both a T-19.2 and a T-19.3.

Click [here](#) to view the new rule.

---

### **T-19.2: Minerals & Surface Damage Endorsement**

In connection with P-50.1, a new endorsement form has been promulgated. This endorsement insures against loss the insured sustains because of damage to improvements **excluding** lawns, shrubbery or trees located on the land resulting from the extraction or development of coal, lignite, oil, gas or other minerals. The endorsement does not insure against loss resulting from subsidence.

Click [here](#) to view the T-19.2 form.

---

### **T-19.3: Minerals & Surface Damage Endorsement**

This new form is also required to be issued by P-50.1 in the appropriate circumstances to insure against loss by reason of damage to permanent buildings resulting from the use of the surface of the land for the extractions or development of coal, lignite, oil, gas and other minerals. This endorsement does not issue against loss resulting from subsidence.

Click [here](#) to view the endorsement.

---

### **R-29: Premium for T-19 & T-19.1**

R-29 has been amended to increase the minimum rate from \$25.00 to \$50.00 so that the premium for issuance of a T-19 or T-19.1 shall not be less than \$50.00.

Section C of the existing rate rule was amended so that the premium for T-19.1 issued on land which is residential, shall be:

- 10% of the Basic Rate for a single issue policy instead of 15%; *or*,
- 5% of the Basic Rate if an amendment of the exception to area and boundaries is also purchased according to R-16.

Section D of R-29 was amended so that the premium for T-19.1 issued on land that is not residential real property, shall be:

- 15% of the Basic Rate; *or*,
- 10% of the Basic Rate if the amendment of the area and boundaries exception is also purchased according to R-16.

Click [here](#) to view R-29.

---

### **R-29.1: Premium for T-19.2 & T-19.3**

The rate for the T-19.2 & T-19.3 has been set at \$50.00 for each endorsement issued.

Click [here](#) to view R-29.1.

Should you have any questions or require further information,  
please contact David Rhodes, Lisa Beville or Steve Streiff in our Legal Department.



**David Rhodes**  
**Senior Underwriting Counsel**  
888-678-1700  
[drhodes@oldrepublictitle.com](mailto:drhodes@oldrepublictitle.com)



**Lisa Beville**  
**Underwriting Counsel**  
888-678-1700  
[lbeville@oldrepublictitle.com](mailto:lbeville@oldrepublictitle.com)



**Steve Streiff**  
**Underwriting Counsel**  
888-678-1700  
[sstreiff@oldrepublictitle.com](mailto:sstreiff@oldrepublictitle.com)