

# **RATES FOR TITLE INSURANCE PREMIUMS IN VIRGINIA**

## **INTRODUCTION AND GENERAL GUIDELINES**

In addition to insuring titles to real property, Chicago Title Insurance Company, Security Union Title Insurance Company and Ticor Title Insurance Company, (collectively referred to herein as “the Company”) offer a wide variety of related services designed to meet the needs of our customers. Premium rates quoted in this booklet are for basic title insurance coverage only. The title insurance rates listed in this booklet do **not** include charges for the following: (a) assumption of extraordinary risks (i.e. for special title policy endorsements, certain affirmative insurances or unusual title coverages); (b) title searches and abstracts; (c) attorney’s fees and examination fees; (d) document preparation; (e) escrow or closing services; or (f) commitments for title insurance.

Except where minimum premiums are applicable, to compute any title insurance premium (for a fraction of \$1,000 of insurance coverage) round up to the nearest \$1,000 then multiply by the applicable rate per thousand dollars of insurance. For your convenience, a table of pre-calculated premiums is included as Schedule A at the end of this booklet.

## **COMMITMENTS FOR TITLE INSURANCE**

The Commitment for Title Insurance (often referred to as a binder) is an offer to insure title, subject to certain exceptions and requirements (including payment of a correct premium), which discloses the insurability of a particular interest in real property. It is not a report of title and should never be relied upon as a complete representation of the status of title. The Company does not authorize the issuance of its policy or policies until all requirements set forth in the Commitment have been satisfied. Any fee charged for the preparation of a Commitment shall be considered a work charge of the issuing agent or office and not a premium.

## BASIC RATES FOR STANDARD OWNER'S POLICIES

The term “**standard owner's policy**” as used herein shall mean **all standard American Land Title Association** (hereinafter referred to as ALTA) **Owner's Policies**. It shall **not** include the ALTA Homeowner's Policy of Title Insurance for a One-to-Four Family Residence, which is separately addressed herein. The basic rate premiums for original standard owner's policies shall be calculated as follows:

|   | Per Thousand           |
|---|------------------------|
| Up to \$250,000 of insurance written.....         | \$3.90                 |
| Over \$250,000 and up to \$500,000, add.....      | 3.70                   |
| Over \$500,000 and up to \$1,000,000, add.....    | 3.40                   |
| Over \$1,000,000 and up to \$2,000,000, add.....  | 2.25                   |
| Over \$2,000,000 and up to \$5,000,000, add ..... | 2.00                   |
| Over \$5,000,000 .....                            | call Company for Quote |

The minimum premium for a standard owner's policy (i.e. written for \$51,000 or less) shall be \$200.00.

### Setting the Owner's Policy Amount

An owner's title policy insuring a fee simple estate shall be issued in an amount equal to the fair market value of the property described in the policy. Fair market value shall be presumed to be the contract sales price unless the Company is furnished with a current appraisal indicating a different value. Applications to issue an owner's policy for less than the fair market value must be approved by the Company. An owner's policy insuring a leasehold estate shall not be issued for less than the fair market value of the leasehold estate described in the policy. Fair market value of a leasehold estate for a term of less than ninety-nine (99) years shall be presumed to be the lesser of (a) the sum of the rent payments called for under the terms of the lease (b) the amount of a current appraisal or (c) the amount determined by any other reasonable method of valuation. Valuation of leasehold estates for 99 years renewable forever shall be the same as for fee simple estates.

## REISSUE RATES FOR STANDARD OWNER'S POLICIES

If a new standard owner's or loan policy is to be issued on real property which has been insured within the past ten (10) years by an owner's policy issued by any title insurer licensed by the Virginia Bureau of Insurance, then a reissue rate shall apply up to the face amount of any such owner's policy currently in effect as rounded up to the next thousand. If the amount of the standard owner's title insurance policy to be issued exceeds the amount of the policy currently in effect, then the premium for insurance coverage for any amount in excess of the insured amount of the current owner's policy must be calculated in accordance with basic title insurance rates for standard owner's policies in the applicable premium bracket(s). In all cases, the burden of proving eligibility for the reissue rate premium shall be on the proposed insured that must produce a qualifying current owner's title policy for the same real property at or prior to closing.

A purchaser or lessee of the same real property from the current insured owner shall be entitled to the following reissue rates for standard owner's policies in an amount up to the face amount of such prior policy rounded up to the next thousand:

|  | Per Thousand           |
|--|------------------------|
| Up to \$250,000 of insurance written.....        | \$2.73                 |
| Over \$250,000 and up to \$500,000, add.....     | 2.59                   |
| Over \$500,000 and up to \$1,000,000, add.....   | 2.38                   |
| Over \$1,000,000 and up to \$2,000,000, add..... | 1.58                   |
| Over \$2,000,000 and up to \$5,000,000, add..... | 1.40                   |
| Over \$5,000,000.....                            | Call Company for Quote |

The minimum premium for a standard owner's policy based on reissue rates (ie. written for \$51,000 or less) shall be \$200.00.

**Example:** if the purchase price is \$300,000 and the amount of the existing owner's policy is \$250,000

1. Multiply the first \$250,000 of the existing owner's policy by \$2.73 per thousand for a total of \$682.50.
2. Multiply the additional coverage (above and beyond the existing owner's policy) of \$50,000 by \$3.70 per thousand for a total of \$185.00.
3. Add \$682.50 and \$185.00 to arrive at the correct premium of \$867.50

### REISSUE RATES AFTER FORECLOSURE

If an insured lender under a current loan policy issued by any title insurer licensed by the Virginia Bureau of Insurance (a) acquires title through foreclosure or by Deed in lieu of foreclosure, (b) requests the issuance of a standard owner's policy, and (c) produces the current loan policy, then the insured or its assigns shall be entitled to the following reissue rates on any new standard owner's policy up to the amount of such current loan policy rounded up to the next thousand:

|  | Per Thousand           |
|--|------------------------|
| Up to \$250,000 of insurance written.....        | \$2.73                 |
| Over \$250,000 and up to \$500,000, add.....     | 2.59                   |
| Over \$500,000 and up to \$1,000,000, add.....   | 2.38                   |
| Over \$1,000,000 and up to \$2,000,000, add..... | 1.58                   |
| Over \$2,000,000 and up to \$5,000,000, add..... | 1.40                   |
| Over \$5,000,000.....                            | Call Company for Quote |

The minimum premium for a standard owner's policy based on reissue rates (i.e. written for \$51,000 or less) shall be \$200.00.

## RATES FOR LAND INSTALLMENT CONTRACTS AND LESSEE PURCHASES

If a **land installment contract purchaser**, who (a) obtains a standard owner's policy insuring a land installment contract for the purchase of any interest in real property, and (b) thereafter obtains a deed or assignment pursuant to that contract; **OR** if a **lessee**, who (a) obtains an owner's policy insuring a leasehold estate, and (b) thereafter obtains a deed from the owner of the property, surrenders its respective current policy and requests the issuance of a standard owner's policy on the fee interest or estate, then the following reissue rates shall apply up to the face amount of the current policy:

|  | Per Thousand           |
|--|------------------------|
| Up to \$250,000 of insurance written.....        | \$2.73                 |
| Over \$250,000 and up to \$500,000, add.....     | 2.59                   |
| Over \$500,000 and up to \$1,000,000, add.....   | 2.38                   |
| Over \$1,000,000 and up to \$2,000,000, add..... | 1.58                   |
| Over \$2,000,000 and up to \$5,000,000, add..... | 1.40                   |
| Over \$5,000,000.....                            | Call Company for Quote |

The minimum premium for a standard owner's policy based on reissue rates (i.e. written for \$51,000 or less) shall be \$200.00.

## BASIC RATES FOR HOMEOWNER'S POLICIES

The term "**homeowner's policy**" as used herein shall refer to **the ALTA Homeowner's Policy of Title Insurance for a One-to-Four Family Residence**. The homeowner's policy is an owner's policy with enhanced coverage, which is issued only to natural persons (or trustees under *inter vivos* trusts) on real property improved by an owner-occupied 1-4 family residential dwelling or condominium unit. This policy may also be issued to the Insured under a current standard owner's policy issued by the Company as an "upgrade" to their current policy coverage, upon the surrender of the current policy and payment of an additional premium.

The basic rate premium for an original homeowner's policy shall be calculated by multiplying the applicable basic title insurance rate premium for a standard owner's policy by **120%**.

|  | Per Thousand           |
|--|------------------------|
| Up to \$250,000 of insurance written.....        | \$3.90 X 120%          |
| Over \$250,000 and up to \$500,000, add.....     | 3.70 X 120%            |
| Over \$500,000 and up to \$1,000,000, add.....   | 3.40 X 120%            |
| Over \$1,000,000 and up to \$2,000,000, add..... | 2.25 X 120%            |
| Over \$2,000,000 and up to \$5,000,000, add..... | 2.00 X 120%            |
| Over \$5,000,000.....                            | call Company for Quote |

The minimum premium for a homeowner's policy (i.e. written for \$51,000 or less) shall be \$240.00.

## REISSUE RATES FOR HOMEOWNER'S POLICIES

If a new homeowner's policy is to be issued on real property insured within the past ten years by an owner's policy issued by any title insurer licensed by the Virginia Bureau of Insurance, then a reissue rate shall apply up to the face amount of any such owner's policy currently in effect as rounded up to the next thousand. Reissue rates set forth herein shall apply up to the amount of current owner's coverage **and in accordance with the type of policy previously issued.**

If the prior owner's policy is a standard owner's policy then the reissue **credit** shall be 30% of the basic title insurance premium for standard owner's policies. If the prior owner's policy is a homeowner's policy, then the reissue **credit** shall be 30% of the basic title insurance premium for homeowner's policies. The premium for the amount of additional insurance over that of the previously issued policy shall be calculated at 120% of the basic title insurance rates for standard owner's policies.

In all cases, the burden of proving eligibility for the reissue rate premium shall be on the proposed insured that must produce a qualifying current owner's title policy for the same real property at or prior to closing.

**Example 1:** computing the premium for issuing a homeowner's policy with a **reissue credit based on a current standard owner's policy** if the purchase price is \$350,000 and the amount of the current standard owner's policy is \$250,000

1. Calculate the homeowner's policy premium for the full \$350,000 by multiplying the first \$250,000 by \$3.90 per thousand which equals \$975.00 and the second \$100,000 by \$3.70 per thousand which equals \$370.00 and add the two together to arrive at the basic premium for a standard owner's policy of \$1345.00. Then multiply \$1345.00 by 120% to arrive at the full premium for the homeowner's policy of \$1614.00.
2. Calculate the reissue credit based on the existing \$250,000 standard owner's policy. Multiply the \$250,000 by \$3.90 per thousand for a total of \$975.00. Then multiply the \$975.00 by 30% to arrive at \$292.50, the amount of the reissue credit.
3. Subtract the reissue credit of \$292.50 from the full homeowner's policy premium of \$1614.00 to come up with the final premium of \$1321.50.

**Example 2:** computing the premium for issuing a homeowner's policy with a **reissue credit based on a current homeowner's policy** if the purchase price is \$350,000 and the amount of the existing homeowner's policy is \$250,000:

1. Calculate the homeowner's policy premium for the full \$350,000 by multiplying the first \$250,000 by \$3.90 per thousand which equals \$975.00 and the second \$100,000 by \$3.70 per thousand which equals \$370.00 and add the two together to arrive at the premium for a standard owner's policy of \$1345.00. Then multiply

\$1345.00 by 120% to arrive at the full premium for the homeowner's policy of \$1614.00.

2. Calculate the reissue credit based on the existing \$250,000 homeowner's policy. Multiply the \$250,000 by \$3.90 per thousand for a total of \$975.00 which is the premium for a standard owner's policy. Multiply the \$975.00 by 120% to come up with the premium for a homeowner's policy of \$1170.00. Then multiply the \$1170.00 by 30% to arrive at \$351.00 the amount of the reissue credit.
3. Subtract the reissue credit of \$351.00 from the full homeowner's policy premium of \$1170.00 to come up with the final premium of \$1263.00.

### **UPGRADES FROM STANDARD OWNER'S POLICIES TO HOMEOWNER'S POLICIES**

An existing standard owner's policy may be "upgraded" to a homeowner's policy by surrendering the original standard owner's policy and paying an additional upgrade premium. **The amount of such upgrade premium shall be determined by whether or not the effective date of the policy is to be advanced.** In the event the insured requests that the homeowner's policy be issued in an amount greater than the amount of the existing standard owner's policy, then an additional premium equal to 120% of the basic title insurance rates for standard owner's policies in the applicable premium bracket(s) for such additional amount must be added to any upgrade premium.

**Policy Date Unchanged:** If the original policy date is not advanced, the premium charged for such upgrade shall be equal to 20% of the basic insurance rate that would have been charged for the existing policy based on the rates set forth herein.

**Example:** Insured surrenders a policy in the face amount of \$250,000 and requests a homeowner's policy in the amount of \$250,000 with the original effective date

Upgrade Premium      $\$975.00 \times 20\% = \$120.00$

**Policy Date Advanced:** If the original policy date is advanced to a current date, the premium charged for such upgrade shall be 120% of the reissue rate for a standard owner's title insurance policy:

**Example:** Insured surrenders a policy in the face amount of \$250,000 and requests a homeowner's policy in the amount of \$250,000 with a current effective date

Upgrade Premium      $\$975.00 \times 70\% \text{ (the reissue rate)} \times 120\% = \$819.00$

## BASIC RATES FOR STANDARD LOAN POLICIES

The term "Mortgage" as used herein shall mean any instrument (including a deed of trust), securing a loan or a loan guarantee, which uses real property as collateral. The term “**standard loan policy**” shall mean **all standard ALTA-promulgated loan policies** including the ALTA Short Form Residential Loan Policy. It shall **not** include the ALTA Expanded Coverage Residential Loan Policy or the ALTA Short Form Expanded Coverage Residential Loan Policy which policies shall be referred to herein collectively as the “expanded loan policy”.

Generally, a loan policy cannot be issued for *less* than the full principal debt secured. However, a loan policy may be issued in an amount up to, but not to exceed, 125% of the principal debt to cover unamortized interest, foreclosure expenses and costs incurred by a lender in possession. The basic rates for standard loan policies shall be:

|  | Per Thousand           |
|--|------------------------|
| Up to \$250,000 of insurance written.....        | \$2.90                 |
| Over \$250,000 and up to \$500,000, add.....     | 2.70                   |
| Over \$500,000 and up to \$1,000,000, add.....   | 2.30                   |
| Over \$1,000,000 and up to \$2,000,000, add..... | 1.85                   |
| Over \$2,000,000 and up to \$5,000,000, add..... | 1.50                   |
| Over \$5,000,000.....                            | call Company for Quote |

The minimum premium for a standard loan policy shall be \$200.00.

## REISSUE RATES FOR STANDARD LOAN POLICIES

If the owner of real property on which a standard loan policy is to be issued is insured under any current owner's policy issued within the past ten (10) years by any title insurer licensed by the Virginia Bureau of Insurance and can produce such policy or a copy thereof, at or prior to settlement, then such owner shall be entitled to the reissue title insurance premium rate on a standard loan policy up to the amount of such owner's policy as set forth below as rounded up to the next thousand. Reissue rates for standard loan policies are 70% of the basic title insurance rates for standard loan policies. To the extent that the amount of insurance desired under a loan policy exceeds the amount of the current owner's policy, the premium for the additional insurance coverage shall be computed at the basic rates for standard loan policies in the applicable premium bracket(s).

In all cases, the burden of proving eligibility for the reissue title insurance premium for standard loan policies shall be on the borrower(s) who must produce a copy of a qualifying current owner's title policy for the same real property at or prior to closing. There shall be no limitation upon the number of times this reissue rate may be applied to a particular property.

|  | Per Thousand           |
|--|------------------------|
| Up to \$250,000 of insurance written.....        | \$2.03                 |
| Over \$250,000 and up to \$500,000, add.....     | 1.89                   |
| Over \$500,000 and up to \$1,000,000, add.....   | 1.61                   |
| Over \$1,000,000 and up to \$2,000,000, add..... | 1.30                   |
| Over \$2,000,000 and up to \$5,000,000, add..... | 1.05                   |
| Over \$5,000,000.....                            | call Company for Quote |

The minimum premium for a standard loan policy based on reissue rates shall be \$200.00.

**SIMULTANEOUS ISSUE RATES FOR STANDARD LOAN POLICIES**

If an owner's policy and a standard loan policy or policies covering the same real property are to be issued simultaneously and bear the same effective date, then the applicable rate shall be the basic title insurance rate for the owner’s policy or the reissue rate, whichever is applicable, plus **\$150.00 for each standard loan policy** simultaneously issued and in an amount not to exceed, in the aggregate, the amount of the owner's policy. In the event that the aggregate standard loan policy coverage exceeds the amount of the owner's policy, then an additional premium, calculated in the appropriate bracket of the basic title insurance rate for standard loan policies on the amount of the additional loan policy coverage, must also be charged.

**BASIC RATES FOR EXPANDED LOAN POLICIES**

The ALTA Expanded Coverage Residential Loan Policy of title insurance provides substantial additional protections to first lien mortgage lenders beyond those provided by standard loan policies. The **ALTA Expanded Coverage Residential Loan Policy** shall be referred to herein as the “**expanded loan policy**”. The expanded loan policy is designed primarily to be issued simultaneously with the homeowner’s policy. Due to the enhanced coverages and additional protections automatically included in the expanded loan policy, please refer to our separate underwriting guidelines before committing to issue or issuing this type of policy.

The basic rate premium charged for an original expanded loan policy shall be calculated by multiplying the basic title insurance rate for standard loan policies by 120%.

|  | Per Thousand           |
|--|------------------------|
| Up to \$250,000 of insurance written.....        | \$2.90 X 120%          |
| Over \$250,000 and up to \$500,000, add.....     | 2.70 X 120%            |
| Over \$500,000 and up to \$1,000,000, add.....   | 2.30 X 120%            |
| Over \$1,000,000 and up to \$2,000,000, add..... | 1.85 X 120%            |
| Over \$2,000,000 and up to \$5,000,000, add..... | 1.50 X 120%            |
| Over \$5,000,000.....                            | call Company for Quote |

The minimum premium for an expanded loan policy shall be \$240.00.

**Example:** for a loan amount of \$280,000

1. Calculate the basic title insurance rate for a standard loan policy:  $\$250,000 \times \$2.90$  per thousand = \$725.00 plus  $\$30,000 \times \$2.70$  per thousand = \$81.00.  $\$725.00 + \$81.00 = \$806.00$ .
2. Multiply the standard loan policy premium by 120%:  $\$806.00 \times 120\% = \$967.20$ .

## REISSUE RATES FOR EXPANDED LOAN POLICIES

If the owner of real property on which an expanded loan policy is to be issued is insured under any current owner's policy issued within the past ten (10) years by any reputable title insurer licensed by the Virginia Bureau of Insurance and can produce such policy or a copy thereof, at or prior to settlement, then such owner shall be entitled to the reissue title insurance premium rate on an expanded loan policy up to the amount of such owner's policy as set forth below as rounded up to the next thousand. **The reissue premium is determined by whether the existing owner's policy is (a) a standard owner's policy or (b) a homeowner's policy.** In either case, to the extent that the amount of insurance desired under an expanded loan policy exceeds the amount of the current owner's policy, the premium for the additional insurance coverage shall be computed at 120% of the basic title insurance rates for standard loan policies in the appropriate bracket(s).

In all cases, the burden of proving eligibility for the reissue title insurance premium for expanded loan policies shall be on the borrower(s) who must produce a copy of a qualifying current owner's title policy for the same real property at or prior to closing. There shall be no limitation upon the number of times this reissue rate may be applied to a particular property.

### Reissue Rates Based on Existing Standard Owner's Policies

When the existing owner's policy is a standard owner's policy the reissue rate for the expanded loan policy (up to the amount of the owner's policy) is 120% of the reissue title insurance rates for standard loan policies. Calculate the premium by multiplying the reissue premium for a standard loan policy by 120%. To the extent that the amount of insurance desired under an expanded loan policy exceeds the amount of the current owner's policy, the premium for the additional insurance coverage shall be computed at the basic rates for expanded loan policies in the applicable premium bracket(s).

|  | Per Thousand           |
|--|------------------------|
| Up to \$250,000 of insurance written.....        | \$2.03 X 120%          |
| Over \$250,000 and up to \$500,000, add.....     | 1.89 X 120%            |
| Over \$500,000 and up to \$1,000,000, add.....   | 1.61 X 120%            |
| Over \$1,000,000 and up to \$2,000,000, add..... | 1.30 X 120%            |
| Over \$2,000,000 and up to \$5,000,000, add..... | 1.05 X 120%            |
| Over \$5,000,000.....                            | Call Company for Quote |

The minimum premium for an expanded loan policy based on reissue rates in connection with an existing standard owner's policy shall be \$240.00.

**Example 1:** for an existing standard owner’s policy in the amount of \$250,000 and a new loan amount of \$250,000 (loan amount is less than or equal to the owner’s policy amount)

$$\$250,000 \text{ (loan amount)} \times \$2.03 \text{ per thousand} \times 120\% = \$609.00$$

**Example 2:** for an existing standard owner’s policy in the amount of \$250,000 and a new loan amount of \$280,000 (loan amount is greater than the owner’s policy amount)

1. Calculate the reissue premium for the first \$250,000 of the loan amount:  $\$250,000 \times \$2.03 \text{ per thousand} \times 120\% = \$609.00$
2. Determine the full premium for the \$30,000 of the loan amount which exceeds the owner’s policy amount in the applicable rate bracket:  $\$30,000 \times \$2.70 \text{ per thousand} \times 120\% = \$97.20$ .
3. Add together the reissue premium of \$609.00 and the additional premium (for that portion of the loan amount that exceeds the amount of the owner’s policy) of \$97.20 to arrive at a total premium of \$706.20

**Reissue Rates Based on Existing Homeowner’s Policies**

In the event that the existing owner’s policy is a homeowner’s policy, reissue rates for standard loan policies shall apply up to the amount of the owner’s policy. To the extent that the amount of insurance desired under an expanded loan policy exceeds the amount of the current owner's policy, the premium for the additional insurance coverage shall be computed at the basic rates for expanded loan policies in the applicable premium bracket(s).

|   | Per Thousand |
|---|--------------|
| Up to \$250,000 of insurance written.....   | \$2.03       |
| Over \$250,000 and up to \$500,000, add.....  | 1.89         |
| Over \$500,000 and up to \$1,000,000, add.....  | 1.61         |
| Over \$1,000,000 and up to \$2,000,000, add.....  | 1.30         |
| Over \$2,000,000 and up to \$5,000,000, add.....  | 1.05         |
| Call Company for Quote  |              |
| The minimum premium for an expanded loan policy based on reissue rates in connection with an existing homeowner’s policy shall be \$200.00. |              |

**Example 1:** for an existing homeowner’s policy in the amount of \$200,000 and a new loan amount of \$200,000 (loan amount is less than or equal to the owner’s policy amount)  $\$200,000 \text{ (loan amount)} \times \$2.03 \text{ per thousand} = \$406.00$

**Example 2:** for an existing homeowner's policy in the amount of \$250,000 and a new loan amount of \$280,000 (loan amount is greater than the owner's policy amount)

1. Calculate the reissue premium for the first \$250,000 of the loan amount:  $\$250,000 \times \$2.03 \text{ per thousand} = \$507.50$
2. Determine the full premium for the \$30,000 of the loan amount which exceeds the owner's policy amount in the applicable rate bracket:  $\$30,000 \times \$2.70 \text{ per thousand} \times 120\% = \$97.20$ .
3. Add together the reissue premium of \$507.50 and the additional premium for that portion of the loan amount that exceeds the amount of the owner's policy of \$97.20 to arrive at a total premium of \$604.70.

## **SIMULTANEOUS ISSUE RATES FOR EXPANDED LOAN POLICIES**

If an owner's policy and an expanded loan policy covering the same real property are to be issued simultaneously and bear the same effective date, then a simultaneous issue rate may be given. **The simultaneous issue rate is determined by whether the simultaneously issued owner's policy will be (a) a standard owner's policy or (b) a homeowner's policy.**

In the event two loans are being simultaneously issued with either type of owner's policy, the second loan policy must be a standard loan policy. For premium calculation guidelines for the second (standard) loan policies, refer to the section of this guide titled Simultaneous Issue Rates for Standard Loan Policies.

### **Rates for Simultaneous Issue with Standard Owner's Policies**

In the event the expanded loan policy is issued in conjunction with a standard owner's policy, the applicable rate shall be the basic title insurance rate for the standard owner's policy or the reissue rate, whichever is applicable, plus 1) a \$150.00 simultaneous issue fee and 2) an additional surcharge in the amount of 20% of the basic rate for standard loan policies calculated on the full amount of the expanded loan policy. To the extent that the amount of insurance desired under the loan policy exceeds the desired owner's policy amount, the premium for the additional insurance coverage shall be computed at 120% of the basic title insurance rates for standard loan policies in the appropriate bracket(s).

**Example 1:** for a sales price of \$200,000 and a loan amount of \$200,000 (loan amount is less than or equal to the sales price)

1. Calculate the owner's title insurance policy premium  $\$200,000 \times \$3.90 \text{ per thousand} = \$780.00$ .

2. Calculate the basic rate for a standard loan policy  $\$200,000 \times 2.90$  per thousand = \$580.00. Then determine the surcharge for the expanded loan policy by multiplying \$580.00 by 20% = \$116.00
3. Add together the owner's title insurance premium of \$780.00, the simultaneous issue fee of \$150.00 and the surcharge of \$116.00 for a total premium of \$1,046.00 for both the owner's and loan policies.

**Example 2:** for a sales price of \$250,000 and a loan amount of \$280,000 (loan amount is greater than the sales price)

1. Calculate the owner's title insurance policy premium  $\$250,000 \times \$3.90$  per thousand = \$975.00.
2. Determine the surcharge for the first \$250,000 of the loan policy by 1) calculating the basic rate for a standard loan policy  $\$250,000 \times \$2.90$  per thousand = \$725.00 and 2) multiplying \$725.00 by 20% which equals \$145.00.
3. Determine the full premium for the \$30,000 of the loan amount which exceeds the owner's policy amount in the applicable rate bracket  $\$30,000 \times \$2.70$  per thousand  $\times 120\% = \$97.20$ .
4. Add together the owner's title insurance premium of \$975.00, the simultaneous issue fee of \$150.00, the surcharge of \$145.00 and the additional premium for that portion of the loan amount that exceeds the amount of the owner's policy of \$97.20 to arrive at a total premium of \$1367.20 for both the owner's and loan policies.

### **Rates for Simultaneous Issue with Homeowner's Policies**

In the event the expanded loan policy is issued in conjunction with a homeowner's policy, the applicable rate shall be the basic title insurance rate for the homeowner's policy or the reissue rate, whichever is applicable, plus a \$150.00 simultaneous issue fee. To the extent that the amount of insurance desired under the loan policy exceeds the desired owner's policy amount, the premium for the additional insurance coverage shall be computed at 120% of the basic title insurance rates for standard loan policies in the appropriate bracket(s).

**Example:** for a sales price of \$250,000 and a loan amount of \$280,000 (loan amount is greater than the sales price)

1. Calculate the owner's title insurance policy premium  $\$250,000 \times \$3.90$  per thousand  $\times 120\% = \$1,170.00$
2. Determine the full premium for the \$30,000 of the loan amount which exceeds the owner's policy amount in the applicable rate bracket  $\$30,000 \times \$2.70$  per thousand  $\times 120\% = \$97.20$ .

3. Add together the owner's title insurance premium of \$1,170.00, the simultaneous issue fee of \$150.00, and the additional premium for that portion of the loan amount that exceeds the amount of the owner's policy of \$97.20 to arrive at a total premium of \$1,417.20 for both the owner's and loan policies.

## RATES FOR ASSIGNMENTS OF MORTGAGES

Loan policies issued by the Company automatically insure the holder of the indebtedness secured by the insured Mortgage. However, the assignee of an insured Mortgage, by presenting proof of its purchase of the indebtedness and the recording of an assignment, may obtain an endorsement to a current loan policy or, upon the surrender thereof, a new loan policy, insuring title through the date of the recording of the assignment, at the rates below.

If issued within two (2) years after the date of the current loan policy then the premium shall be **\$100.00**. If issued more than two (2) years after the date of the current loan policy then the premium shall be calculated as follows:

|   | Per Thousand           |
|---|------------------------|
| Up to \$250,000 of insurance written.....       | \$1.00                 |
| Over \$250,000 and up to \$500,000, add.....    | .50                    |
| Over \$500,000 and up to \$ 1,000,000, add..... | .40                    |
| Over \$1,000,000 .....                          | Call Company for Quote |
| Minimum premium .....                           | \$250.00               |

## REVOLVING CREDIT ENDORSEMENT

Revolving credit loan endorsements pertaining to the development of property and/or construction on property will be charged at the same rate for any additional amount of coverage once the original loan amount is exhausted, i.e., a builder has a \$5,000,000.00 revolving credit line and has drawn that entire amount. As the original amount has been disbursed and additional funds beyond the original principal amount of the loan are advanced, premium shall be collected in the same amount paid for the original liability.

## **EXTRA-HAZARDOUS PREMIUM CHARGES**

### **Mechanic's Lien Coverage**

Extra-hazardous premium charges may be applicable on policies insuring construction loan lenders or outsale purchasers and their lenders for filed and unfiled mechanic's and materialman's liens. Issuance of mechanic's lien coverage is outside the authority of the agent pursuant to the agency contract. Contact Company Counsel for approval for the issuance of these types of policies and for a premium quotation.

### **"One-Year Decedent" Estates**

Pursuant to underwriting guidelines, a one-time extra-hazardous premium charge may be applicable on loan and owner's policies issued in connection with transactions in which an owner in the chain of title has died within the year prior to closing. When applicable, the premium is calculated at the rate of \$2.00/\$1,000.00 (based on sales price) with a minimum of \$250.00 payable direct to the Company.

### **Extra-Hazardous Risks**

Insuring title to certain real property interests or appurtenances may involve extraordinary or extra-hazardous risks and the Company reserves the right in such cases to charge a premium (in addition to any other premiums referred to herein), which, in its sole discretion, is commensurate with the risk assumed.

## **RATE FOR EXTENSION OF LOAN POLICY**

When a mortgage previously insured by the Company is modified to extend the maturity of the indebtedness or to otherwise amend its provisions, and upon receipt of a continuation certification of title approved by the Company covering the period from the date of recordation of the mortgage through the date of the recording of the modification agreement, an endorsement to the existing policy furnishing coverage up to and including the date of the recording of the modification agreement, and showing the Amount of Policy equal to the unpaid principal balance of the loan, will be issued at the following rate:

1. The base rate for issuing such endorsement shall be 30% of the Basic Rate for Standard Loan Policy, based on the unpaid principal balance of the loan, with a minimum premium of \$295.00;
2. If additional Land is added as security for the insured mortgage pursuant to the modification agreement, the rate for such endorsement shall be 70% of the Basic Rate for Standard Loan Policy, based on the unpaid principal balance of the loan, with a minimum premium of \$295.00;

3. If the unpaid principal balance secured by the insured mortgage is increased pursuant to the modification agreement, the Amount of Policy will be the unpaid principal balance of the loan as increased by the modification agreement. The above rates will be charged on so much of the amount of policy as represents the unpaid principal balance of the loan immediately prior to its increase. The premium on the difference between the unpaid principal balance of the loan immediately prior to its increase and the new Amount of Policy shall be calculated at the original mortgage rates in the bracket or brackets applicable to amounts in excess of such unpaid principal balance.

## **MISCELLANEOUS**

The Company reserves the right to reject any request to issue title insurance that it deems unsatisfactory, in its sole and absolute discretion.

Agents authorized to issue title insurance policies written by the Company are its agents for this **sole** purpose and no other, do not represent the Company and shall not be deemed to have actual and/or apparent authority to act for or on behalf of the Company in any other matters.

Attorneys may be approved to certify title to land to the Company for purposes of issuance of title commitments and policies. Approved attorneys of the Company are not agents of the Company.