

# Chicago Title Insurance Company

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## UNDERWRITING MEMO

To: All New York State Agents, Branch Managers and Counsel  
From: Michael P. Miglino No. 06-10  
Re: Rate Deviation Filing Approved and Effective on June 15, 2006-REVISED  
Date: June 15, 2006

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**\*\*THIS BULLETIN SUPERCEDES AND REPLACES Memo No.06-09 (06/09/06)**

Effective June 15, 2006, and for all transactions that close on or after that date, the companies of the Fidelity National Title Group will be using a new "Special Rate" schedule for owner's policies with liabilities of less than one million dollars. The Special Rates are the result of a deviation filing submitted on behalf of the Fidelity Group with the Superintendent of Insurance, as required by the terms of the recent settlement with both the Office of the Attorney General and the Superintendent of Insurance.

Owner's policies are any policy insuring an interest under an ALTA 1992 Owner's Policy (ALTA Owner's) or the TIRSA Extended Owner's Protection Policy (TOEPP) forms. Included within this definition are the following types of policies, for which the Special Rate is applicable –

- Owner's Policies insuring a Fee Simple Interest either under the ALTA Owner's or the TOEPP forms (see TIRSA, Manual Sections 5 and 34).
- Owner's Policies with Leasehold Endorsement (Owner's Policy) or Cooperative Leasehold Endorsement (Owner's Policy) (see TIRSA Manual, Sections 7 and 10).
- Bulk (initial sale) Owner's using the ALTA Owner's or Owner's with Leasehold Endorsement (Owner's Policy) or TOEPP form (see TIRSA Manual, Section 20).
- Contract Vendee Policies, both Residential and Commercial (see TIRSA Manual, Section 29).
- Owner's Option Insurance for Fee Simple, Leasehold or Cooperative Leasehold (see TIRSA Manual, Section 33).
- Endorsements applicable to Owner's Policies in an amount less than one million dollars, are the following (please refer to the TIRSA Rate Manual, Section 25) –

Market Value Rider Endorsement ALTA Owner's form.  
Market Value Rider Endorsement TOEPP form.  
Fairway Endorsement (Owner's Policy).  
Nun-Imputation Endorsement (Owner's Policy).  
Contract Vendee, Commercial or Residential.  
Option Endorsement (Fee interest or Leasehold Owner's Policy).  
TIRSA Mezzanine Financing Endorsement.

The effect of this filing is to reduce rates for Owner's Policies insuring a fee simple purchase by 15% (Owner's Policy). The Special Rate is applicable to the premium for the minimum insurance amount (\$35,000) and all of the rate brackets up to \$999,999.00. Attached to this Bulletin is a chart showing the new rates as they apply to minimum insurance and the various rate brackets in each of the two rate Zones. The rates for Owner's Policies issued in the amount of one million or more are unchanged. Rates for all policies insuring mortgage loans, including but not limited to simultaneously issued, leasehold and construction loans (collectively referred to as Loan Policies), irrespective of the amount of insurance, are also unchanged. Rates that are not affected by the deviation filing are to be computed in accordance with the existing TIRSA Rate Manual, Part II - Rates.

The following are a few examples of policy and rate situations which illustrate when the Special Rate or the existing TIRSA rate schedule would be used. The examples given are representative samples and are not intended to illustrate all possible policy and rate situations.

**1. BULK OWNER'S OR LEASEHOLD POLICY FOR LESS THAN ONE-**

**MILLION:** An Owner's Policy or Leasehold policy that otherwise qualifies for the Bulk Rate discount (TIRSA Rate Manual Section 20) is charged 70% of the Owner's Rate, and

- a. If the policy liability is less than one million dollars, the correct rate to be used is 70% of the Special Rate calculated from the attached schedule.
- b. If the policy is issued in a liability amount of one million dollars or more, the correct rate is 70% of the regular owner's premium set forth in the TIRSA Rate Manual (Part II- Rates).

**2. SIMULTANEOUSLY ISSUED LOAN POLICY ISSUED WITH AN OWNER'S POLICY (INCLUDING CONSTRUCTION LOAN):** The rate for a simultaneously issued Loan Policy is unchanged. The policy issued under this rate is a loan policy computed in accordance with the TIRSA Rate Manual at 30% of the applicable TIRSA rate for loan policies (TIRSA Rate Manual, Section 13 and the rates in Part II).

**3. SIMULTANEOUSLY ISSUED OWNER AND LEASEHOLD POLICIES:**

**Owner's and Leasehold owners' policies issued simultaneously, covering identical property –**

- a. If the policy liabilities for both the Owner's and Leasehold policies are each less than one million dollars, the Special Rate applies to both the Owners Policy and to thirty percent (30%) of the Special Rate for the Leasehold Policy.**
- b. If the liability for each of the Owner's and Leasehold policies is one million dollars, or more, apply the full TIRSA Rate Manual rate for the owner's policy and thirty percent (30%) of the TIRSA Rate Manual owner's rate for leasehold policy.**
- c. If the Owner's Policy and Leasehold policies are issued in liability amounts where the Owner's Policy is for one million, or more, and the Leasehold Policy is one million or less, use the rate schedule that would be applicable to each liability amount. Owner's Policy for one million dollars or more, the rate to be applied is the TIRSA Rate Manual, Part II rates. The simultaneously issued Leasehold policy for less than one million dollars would be calculated at thirty percent (30%) of Special Rate.**

**The key to understanding whether or not the Special Rate Schedule applies is to look to the type of policy being issued and the liability amount of the policy. If the policy form is an owner's policy form, the Special Rate applies.**

- a. The policy is an Owner's Policy and the liability amount is LESS THAN ONE MILLION DOLLARS, the Special Rate will apply, see attached rate schedule.**
- b. The policy is an Owner's Policy and the liability amount is ONE MILLION DOLLARS OR MORE, the regular unreduced rates, see current TIRSA Rate Manual, Part II- Rates**
- c. The policy is any type of Loan Policy, the premium is to be based on the applicable rates for loan policies found in the current TIRSA Rate Manual, Part II.**