



*First American  
Title Insurance Company  
of New York*

June 8, 2006

To: First American Agents

Re: Rate Reduction Approved

In accordance with our agreements with the Attorney General of the State of New York and New York State Department of Insurance (please refer to Bulletin dated May 24, 2006), the New York State Department of Insurance has approved First American's rate reduction of 15% on all purchase (fee) transactions insuring liability amounts of up to one million (\$1,000,000) dollars. This reduction will apply to all special and bulk fee rates as well.

The new rate only affects Owner's Policies and Owner's Extended Protection Policies ("TOEPP").

The effective date is June 15, 2006. The new rate shall apply to all title closings insuring purchases up to \$1,000,000 on said effective date and thereafter.

The Company's updated Rate Calculator will be operational on June 15, 2006 via its website, [firstamny.com](http://firstamny.com), which will continue to automatically direct you to the corporate website ([firstam.com](http://firstam.com)) when you select "Rate Calculator" in the "Resources" menu. Our updated Rate Calculator on Agency Connect and the Rate Calculator CD will also be operational on said date. Please note that the Rate Calculator CD is to be distinguished from the Company's Rate Calculator on its website – it is a separate program being separately updated. The title insurance rate chart with the new rate structure is attached herewith.

The new rate codes for the aforementioned fee transactions, which must appear on all premium remittances effective June 15, 2006, as well as examples setting forth the manner in which the new premium rates will be calculated, are attached.

In addition, pursuant to our Agreement with the Attorney General, attached please find the following:

1. First American Title Insurance Company of New York Policy and Procedure Regarding the Payment of Referral Fees; and
2. First American Title Insurance Company of New York Policy Regarding Rebates in Multi-Site Transactions.

Also, it is imperative that we highlight Paragraph Seven (7) of our Agreement with the Attorney General which requires "a certification from all title agents in connection with

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each transaction involving real property located in the State of New York that the insured has paid the title agent only the premium for the title policy in accordance with the insurer's filed rates in New York and charges for necessary services performed in connection with the issuance of the title policy as permitted under the applicable approved rate manual in New York and *not* any additional charges of any kind....." If required by the lender or other party, an agent may perform additional services not necessary in connection with the issuance of the title policy, "provided, however, that the title agent certifies that it has provided a clear notice to the insured that such additional services are not performed in connection with the issuance of the title policy and has advised the insured that the issuance of the title policy is not dependent upon the agent performing such additional services." In furtherance of this certification requirement, attached please find an Agency Certification Form for title premiums and charges, including "additional services," as well as sample premium rate reports to be submitted with said certification. These certifications and accompanying premium rate reports must accompany all remittances submitted to the underwriter effective June 15, 2006.

The implementation of our new record retention policy, in compliance with the requirements of the Attorney General and the New York State Insurance Department, will follow shortly.

Please distribute this Bulletin to the appropriate personnel.

Please call the Agency Department with your comments or questions.

**John Cruz**  
Senior Vice President  
Regional Senior Agency Counsel

cc.: James M. Orphanides  
Helen M. Powell  
Michael J. Berey