

# Stewart Bulletin

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TX2008001

**Date:** April 10, 2008  
**From:** John Rothermel  
Texas Agency Services Manager  
Associate Underwriting Counsel  
**To:** All Texas Issuing Offices  
**RE:** **2006 Rate hearing results**  
**Commissioner's Order 08-0187**

Dear Associates:

**No change in the Basic Rate:** The Texas Insurance Commissioner agreed with the industry, his staff and OPIC, as well as the other parties to the rate case, to settle the 2006 rate case with no change in the rate. TDI staff will work on a data call as soon as possible with the goal of having a rate hearing by the end of 2008.

The Commissioner has approved many new forms for use in Texas. Many are based on the 2006 ALTA forms. Additionally, a revision to P-24 has been approved that goes into effect in stages: the actual rule on May 1, 2008 and the provision for prior written agreements on July 1, 2008. Other changes have been made to procedural rules and administrative rules. These matters will be discussed separately below.

## **Agenda item 2006-01, Co-insurance Endorsement**

This endorsement allows two title insurers to agree that they are both issuing policies in the same transaction. It provides space for the proportionate amount of liability to be disclosed. Like other endorsements, it can be issued by title insurance agent(s) for the insurers involved or directly by the title insurer.

### Actions/Requirements

Discuss co-insurance files with the other agents involved as well as underwriting counsel as appropriate.

## **Agenda item 2006-02, Amendment to P-6**

The Co-insurance Endorsement is available only when the total transaction exceeds \$15 million. The premium is to be figured on the total risk and then apportioned to each insurer based on the amount of liability each company will have. Each company may issue its own policy or one company may issue a policy and all other co-insurers may issue the Co-insurance Endorsement.

### Actions/Requirements

Issuing offices must compute the total premium and then percentage that each insurer's premium bears to the whole premium. The issuing office then applies that percentage to the premium to compute each insurer's share of the premium and remits the appropriate premium to the title insurer.

## **Agenda item 2006-03, Revised Verification of Services Rendered Form T-00**

### Actions/Requirements

The T-00 form contains the instructions for completing it. It is imperative that Issuing Offices properly complete the form in every transaction where they are buying title services from another licensee. Without proper information, the insurer cannot properly complete the directly issued policy report.

## **Agenda item 2006-04, MHU extended coverage endorsement T-31.1**

This form is based on the ALTA 2006 form. From the issuing office's perspective, this form differs little from the existing form.

### Actions/Requirements

The issuing office must determine that a MHU is actually located on the land. Examples of how to make this determination would include: survey, inspection, appraisal and tax information.

The issuing office must determine that a Statement of Ownership and Location has been issued by the Texas Department of Housing and Community Affairs. The form lists a number of lien types for which title insurance is provided. The information at the TDHCA and the local tax office is sufficient to provide this insurance.

## **Agenda item 2006-05, Future Advance/ Revolving Credit Endorsement (T-35)**

This form, based on the ALTA form of the same name, replaces the existing T-35. This form modifies language in the newly adopted T-2 Loan Policy so that a new form was needed.

### Actions/Requirements

As to revolving credit loans, essentially this form provides the same basic coverage as the prior Texas form. Issuing offices must determine that the loan documents (deed of trust) contain language that the lender may advance additional funds as the loan is repaid. This loan should not be issued on home equity loans or reverse mortgage loans. Revolving Credit Loans should be so identified in the Deed of Trust creating the lien being insured.

## **Leasehold Owner Policy Endorsement (T-4)**

Paragraph 2 of the Leasehold Owner Policy Endorsement (T-4) states that "The provisions of subsection (b) of Section 7 of the Conditions and Stipulations shall not apply to any leasehold estate covered by this policy." This reference applied to the Owner Policy (T-1) that was effective before May 1, 2008 and that reference was to the co-insurance clause that has been removed from the new Owner Policy effective May 1, 2008.

### Actions/Requirements:

Until TDI promulgates the removal of this reference, you should delete this reference in one of the following ways:

1. In Schedule B, state "Paragraph 2 of the Leasehold Owner Policy Endorsement (T-4) is hereby deleted."

2. Add a cover sheet to the policy that states: "Paragraph 2 of the Leasehold Owner Policy Endorsement (T-4) is hereby deleted."

**Agenda item 2006-06, T-47 Residential Real Property Affidavit**

This form is amended to remove the name of the title company from the top of the form and insets a definition that title company is the Title Insurance Company whose policy is issued in reliance on the information contained in the form. This change was needed to make it clear that it is the underwriter rather than the title insurance agent who is relying on the form and may seek enforcement for a false affidavit.

Actions/Requirements

None required except to use this form instead of the prior form T-47 for transactions with a policy date after May 1, 2008.

**Agenda item 2006-07, Adds new P-63 Policy Issued to Qualified Intermediary**

This agenda item moves the manner by which a policy may be issued to a qualified intermediary from Rate Rule (R-2) to the Procedural Rule (P-63) where it more properly belongs.

The language is unchanged.

Actions/Requirements

None.

**Agenda item 2006-08, Adds new P-64 Subordinate Liens and Leases (P-11.b(8))**

This agenda item moves the instruction for setting out subordinate liens and leases from the middle of a comprehensive list of endorsements to a separate Procedural Rule. The coverage provided and the steps to take are unchanged.

Actions/Requirements

None.

**Agenda item 2006-09, Adds new P-65 Owner Policy Required When Issuing Loan Policy**

This item simply adds the existing statutory reference that requires rejection of an owner policy into its own Procedural Rule.

Actions/Requirements

None. Prior procedures are still applicable.

**Agenda item 2006-10, Adds new P-66 Determination of Amount of Insurance**

This agenda item simply takes the existing Rate Rules for determining policy amount and moves them into the more appropriate Procedural Rule.

Actions/Requirements

None. Prior procedures are still applicable.

**Agenda item 2006-12, Adds new P-7 Name of Insured On Loan Policy or Commitment for Loan Policy**

This item moves the language for successors and assigns from TDI Bulletin 157 and makes it clear that the language “and each successor etc.,” can also be used in commitments.

Actions/Requirements

None except that “and each successor in ownership of the indebtedness secured by the insured mortgage, except a successor who is an obligor under the provisions of Section 12c of the Conditions and Stipulations” may now be used in commitments for loan policies.

**Agenda item 2006-14, P-21.3 Additional Requirements for Commitment (Schedule D)**

This item only changes the reference from The State Board of Insurance to Commissioner of Insurance

Actions/Requirements

None. Prior procedures are still applicable.

**Agenda item 2006-15, P-28 Requirements for Continuing Education for Title Agents and Escrow Officers**

This item amends the existing rule P-28 by adding to the definition of provider (of such educational programs) “a company that owns one or more title insurance companies.”

Actions/Requirements

None. Prior procedures are still applicable. This rule appears to provide that agents may not provide continuing education hours unless working under the auspices of one of the listed providers.

**Agenda item 2006-16, Amends P-45 Texas Reverse Mortgages T-43**

This item adds two new maximum amounts of insurance as follows:

1. The amount of the lien as estimated by the lender according to written closing instructions and
2. in the case of an FHA-insured loan, the Maximum Claim Amount as established by FHA.

Actions/Requirements

None. In either of the new situations, the amount of insurance should be requested by the lender in written instructions.

**Agenda items 2006-17 and 2006-42, Relating to P-53 Rebates**

This agenda item removes the automatic termination date for the rule and makes P-53 permanent.

Actions/Requirements

None. Prior procedures are still applicable.

**Agenda item 2006-19, Administrative Rules**

This agenda item changes the method by which the TDI notifies agents of the expiration of agency licenses and the need to renew such licenses. It provides that the TDI will notify an agent who fails to renew by the specified time. They have a period before a complete new license will be required. The TDI will issue this warning letter within 45 days after the license has expired.

#### Actions/Requirements

Issuing offices should keep close track of license periods for both agency licenses and escrow officer licenses. For agency licenses, the TDI will provide a notice to renew 45 days before the license expires. Missing that letter and the renewal date in reliance on the additional 45 day notice provided in this amended rule could cause the agent to have to cease business until the complete new license process is completed.

#### **Agenda item 2006-22, Dealing With Annual Audits of Policy Guaranty Fees**

This item adds the words “if the agent opts to maintain these accounts separate from the agent’s standard audited escrow account maintained in the ordinary course of business” to the requirement that the annual audit must include policy guaranty fees. This means that an agent may maintain guaranty fees either in the general escrow accounts or in a separate guaranty fee escrow account.

#### Actions/Requirements

Agents and issuing offices should notify the independent auditor who conducts their annual escrow audit if there is in fact a separate escrow account into which guaranty fees are placed pending quarterly remittance to the Guaranty Association.

#### **Agenda item 2006-24, ALTA Owner’s Policy of Title Insurance T-1**

Texas has now adopted for use the 2006 ALTA Owner’s Policy. The form follows the basic ALTA format and is a form many commercial buyers will recognize. The form is somewhat more general in its wording than many people in the Texas title insurance industry are used to seeing. However, many of these wordings simply make Texas law apply without necessarily specifying the exact law.

The policy adds several coverages for electronic recording of documents.

The policy form changes the language of the standard tax exception to make it clear that the exception is for real estate taxes or assessments imposed by a governmental authority (rather than, for example, assessments by a home owners association.)

Because Texas law prohibits insurance of marketable title, the new T-1 form insures good and indefeasible title and excludes unmarketable title.

Schedule A allows a place to insert the property address for reference only upon request of the owner and if the issuing office chooses to insert the property address. This reference does not insure the correctness of the property address.

The policy form amends the arbitration section. When the policy amount is less than \$2 million, either the company or the insured can require arbitration unless the insured is an individual in which case arbitration is not mandatory under Texas law. When the amount of insurance

exceeds \$2 million, arbitration must be agreed to by both parties. The form increases this threshold from \$1 million to \$2 million.

### Actions/Requirements

None other than to be aware of the changes and use the new form for all policies with a policy date of May 1, 2008, and later. You are not required to insert the policy address if you choose not to do so.

### **Agenda item 2006-26 ALTA Loan Policy of Title Insurance T-2**

The first thing to notice about this new lender policy is the name. Since Texas is a lien theory state and rarely uses mortgages, this new form is rightly named a LOAN policy.

It has many of the same features as does the new Owner's Policy.

The definition of the Insured in the 2006 Loan Policy is expanded. While the language is expanded, the definition of Insured does not include an affiliate if "actual valuable consideration" changes hands. This means purchase instead of assignment.

There is a new definition of "Indebtedness" in the 2006 Loan Policy:

**“(d) “Indebtedness”: The obligation secured by the Insured Mortgage including one evidenced by electronic means authorized by law, and if that obligation is the payment of a debt, the Indebtedness is the sum of**

**(i) the amount of the principal disbursed as of Date of Policy;**

**(ii) the amount of the principal disbursed subsequent to Date of Policy;**

**(iii) the construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the Land or related to the Land that the Insured was and continued to be obligated to advance at Date of Policy and at the date of the advance;**

**(iv) interest on the loan;**

**(v) the prepayment premiums, exit fees, and other similar fees or penalties allowed by law;**

**(vi) the expenses of foreclosure and any other costs of enforcement;**

**(vii) the amounts advanced to assure compliance with laws or to protect the lien or the priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title;**

**(viii) the amounts to pay taxes and insurance; and**

**(ix) the reasonable amounts expended to prevent deterioration of improvements; but the Indebtedness is reduced by the total of all payments and by any amount forgiven by an Insured.”**

This sweeping definition results in consideration of these post-policy advances in calculation of the maximum amount of liability that a title insurer will have pursuant to Section 8 of the Conditions and in calculation of the Amount of Insurance. **It does not reduce the need for a T-**

**35 Endorsement to cover Future Advances; the Endorsement is still necessary, for example, to insure the validity and priority of the lien of the Insured Mortgage for the Future Advances.** This definition does not insure that the post-policy Advances are actually secured by the Insured Mortgage, because the policy contains a post-policy exclusion and because the definition states that it means “obligations secured by the Insured Mortgage...” Because of this definition and because the pro-tanto reduction in liability clause of the 1992 Loan Policy does not appear in the 2006 Loan Policy, **there is no longer any need for a Last Dollar Endorsement.** However, the policy continues to provide (at Subsection 1(d) (iii)) that post-policy construction advances are included in the calculation of Indebtedness only if they continue to be obligatory, except to the extent a Pending Disbursement Clause modifies this clause. The requirement that construction advances be obligatory does not apply to other advances made post-policy (at Subsection 1(d)(ii)), so that other post-policy advances should be included in calculation of Indebtedness, whether obligatory or not.

Actions/Changes needed

- Last dollar endorsements should be discouraged and approved only by a Texas underwriting counsel.
- P-8 exceptions in construction deals are still required

The Proof of Loss Section (Section 4 of the Conditions of the 2006 Policy) is substantially rewritten. No longer is there any requirement to provide a Proof of Loss, unless the Proof of Loss is requested by the title insurer and unless the facts are known by the Insured.

The 2006 Policies contain a new provision that expands the Amount of Insurance in certain claims situations. Section 8(b) of the Conditions of the 2006 Policies states that:

**“ (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured,**

**(i) the Amount of Insurance shall be increased by 10%, and**

**(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.”**

This clause has two imports: (1) it increases the Amount of Insurance if the Company pursues its rights and is “unsuccessful;” and (2) it allows the Insured to choose to have the amount of loss determined as of the date the claim was made or the date it is settled and paid. This clause may apply to more than one claim covered by the Policy. The clause also does not require that the pursuit of rights by the Company consist solely of litigation; the Company may instead make an unsuccessful attempt to secure a release or other settlement with a third party. In any such situation, the Amount of Insurance will be increased by 10%, even if the claim is for a lesser amount than 10% of the Amount of Insurance.

Actions/Changes needed

Although this provision is intended to apply only to cases where the underwriter has been notified of a claim, issuing offices should be extremely careful not to appear to be handling a claim by seeking releases or settlements without approval of our claims department. Such

actions could lead to allegations by the insured that coverage has increased by 10% at no cost and issuing offices incurring liability.

Another change to the T-2 Loan Policy is that **endorsements may now be attached to the policy in the same manner as to the Short Form Loan Policy, via check box.** The 2006 Loan Policy as modified in Texas incorporates, by selection, endorsements in a new flexible paragraph 6 of Schedule A. These endorsements do not have to be attached to the policy; the endorsements are incorporated by checking the box next to the endorsement reference or by listing the endorsements. The Loan Policy authorizes incorporation of Endorsements T-5, T-17, T-19, T-28, T-30, T-31, T-31.1, T-33, T-33.1, T-35, T-36, T-39, T-42, T-42.1, T-43, and Deletion of Section 13 of the Conditions (Arbitration). The Insured may continue to request other endorsements available in Texas.

### **Survey Coverage**

New Covered Risk 2(c) of the 2006 Owner's and Loan Policies for the first time in a policy provides explicit "survey" (or boundary and encroachment) coverage without issuance of a special endorsement. That Covered Risk insures against loss because of:

**"Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land."**

This Covered Risk is similar to but more detailed than the affirmative insurance in paragraph 2 of Schedule B of the Texas Short Form Mortgagee (Loan) Policy, which states:

**"This policy insures against loss or damage arising from any encroachments or protrusions, or any overlapping of existing improvements located on the land onto adjoining land, and encroachments onto the land of existing improvements located on adjoining land."**

The Short Form Mortgagee Policy does not include the word "encumbrance" and does not refer to any applicable "survey" or "land" survey. Other policies in the U.S. did not include any explicit insurance unless an endorsement was attached, and left to litigation the meaning of the absence of a survey exception. While "land survey" is not defined by reference to any standards, such as an ALTA/ACSM Survey, the term should be construed as a land survey of the highest standards for a commercial, rural or residential survey within the jurisdiction that accurately reflects boundaries, corners, improvements, easements, other encumbrances, discrepancies in boundary lines and encroachments both into and over the property lines or above or below ground.

The term "survey" has been construed as meaning a boundary line survey that would reveal encroachments and boundary line disputes, not a mortgage loan survey that would show only the location of improvements. The term "other matters" shown on a survey was construed as referring to the size and dimensions of a lot. *State Farm Ins. Cos. v. Peda*, No. 2001-L-161, 2003 Ohio 1092, 2003 Ohio App. LEXIS 1026 (Ohio Ct. App. March 7, 2003) (a mortgage loan survey was prepared and did not disclose encroachment or boundary dispute).

**This coverage will not serve as a substitute for a Contiguity or Access Endorsement, and will not insure against shortages in area, absent a special endorsement.**

**Compliance with P-2. No changes need to be made to underwriting standards concerning the age of acceptable surveys, use of T-47 update affidavits, certifications or copyright notices. This coverage will not apply if you do not amend the area and boundary exception to Schedule B.**

A key new element of this coverage is the recognition that covered encroachments include encroachments of existing improvements on the Land onto adjoining land. This additional clarification is necessary to prevent further debate as to whether survey coverage results in a valid claim if an improvement encroaches onto adjoining land. That issue has arisen repeatedly because the definition of “land” in the all title insurance policies (including the 1992 Policies) excluded any land beyond the boundaries described in Schedule A, and, therefore, arguably did not insure against encroachments onto adjoining land because such encroachments would not be the insured “land.” While cases generally rejected that contention, the issue will no longer exist if the 2006 Policy is issued because of the new definition of and insurance against any “encroachment.” The definition of “land” remains the same, but that definition is subject to the provisions of the Covered Risk. However, just as the policies do not insure against other matters excepted in Schedule B, the 2006 Policies will not insure against survey matters if an exception appears in Schedule B. This Covered Risk does not reduce the need for endorsements such as the Access Endorsement, Contiguity Endorsement, or Restrictions, Encroachments, Minerals Endorsement.

- **It is possible that fewer lenders will require a T-19 endorsement unless they are concerned about damage to improvements because of oil and gas exploration and production.**
- **It should be noted that newly approved T-19 forms (May 1, 2008) provide insurance against loss in this area to existing or future built improvements.**

**Agenda item 2006-27, Amends P-1 Definitions to Change the Definition Contained in P-1ee from Mortgagee Policy to Loan Policy.**

Actions/Requirements

None.

**Agenda item 2006-29, Amends P-32 Dealing with Document Retention**

This amendment clarifies and modernizes P-32. It corrects a statutory reference. It reorganizes and gives specific examples of the types of matters such as escrow accounting documentation (as opposed to the former language “matters normally maintained in GF files”) and evidence of insurability.

The amendment sets out the following time periods for maintaining documents:

- escrow accounting: 3 yrs
- evidence of insurability: 15 yrs
- title policies (electronic or printed): indefinitely.

The rule specifies that these time periods apply to electronically produced documents under P-17.

Actions/Requirements

None.

The rule does not impose new requirements. It simplifies and clarifies the existing rule and allows retention of electronic copies, including scanned copies.

**Agenda item 2006-30 Dealing with Arbitration Provisions in Policies**

This agenda item provides the regulatory basis for the changes in the arbitration clauses in the new Owner's and Loan policies using a \$2 million threshold rather than a \$1 million threshold.

Actions/Requirements

None.

**Agenda item 2006-31, Amending P-37 Lack of Access**

This item simply changes the paragraph references in the rule to correspond to the paragraph in the T-1 Owner's, T-2 Loan and T-1R Residential Owner's Policies.

Actions/Requirements

None.

**Agenda item 2006-32, Facultative Reinsurance Agreement T-18.1**

This item adopts the new national form of the agreement used by title insurers. It has no bearing on title insurance agents or issuing offices.

Actions/Requirements

None.

**Agenda item 2006-33 and 2006-34, Dealing with Restrictions, Encroachments and Mineral Endorsements T-19 and T-19.1**

These agenda items are amended to more closely conform the Texas T-19 and T-19.1 series to the current ALTA Form 9 series. The main change is that coverage is provided for damage to improvements, including lawns, shrubbery or trees located on the land for the T-19 and excluding lawn, shrubbery and trees located on the land on the T-19.1 on or after policy date resulting from the exercise of mineral rights. This language change to include "after policy date": (i) allows the form to be used on unimproved property, and (ii) will cover improvements added to already improved property after the policy date.

Actions/Requirements

None.

**Agenda item 2006-35, Tertiary Facultative Reinsurance Agreement Type I**

This item adopts the new national form of the agreement used by title insurers. It has no bearing on title insurance agents or issuing offices.

Actions/Requirements

None.

**Agenda item 2006-36 Tertiary Facultative Reinsurance Agreement Type II**

This item adopts the new national form of the agreement used by title insurers. It has no bearing on title insurance agents or issuing offices.

Actions/Requirements

None.

**Agenda item 2006-38, Amending P-47 Insured Closing Letters T-50**

This agenda item requires the title insurer to create a database of insured closing letters and specifies the matters that must be included in the database. It provides that title agents and direct operations must have access to that database.

Actions/Requirements

None. The creation of the database is the burden of the title insurer. This agenda item is not effective until October 1, 2008. As a result of this change, all insured closing letters are now single transaction letters.

**Agenda item 2006-39, New P-68 Consumer Notice**

This agenda item is designed to correct a deficiency that existed in TDI regulations, which placed this notice into the promulgated title insurance policies forms, which could not be changed without public hearing amending the policy forms. This rule allows TDI to make changes to the consumer notice common to all lines of insurance.

Actions/Requirements

None

**Agenda item 2006-40, Definition of Closing the Transaction Under P-1f**

This agenda item deletes the prior language concerning voluntary assistance by the title company to aid insureds in meeting requirements on Schedule C.

Actions/Requirements

None. Issuing offices may, at their option, continue to assist insureds in meeting requirements by obtaining payoffs of existing loans, disbursing money for the lender, furnishing copies of restrictions, prorating insurance and rents. It remains the responsibility of the insured to satisfy requirements. It is not the responsibility of the title company to cure title defects.

**Agenda item 2006-44, Minimum Escrow Standards**

This item amends Paragraph 18 of the Minimum Escrow Standards to add language that when a settlement statement requires changes, the escrow office may either 1. prepare a new statement, 2. make pen and ink changes to the existing statement or 3. "obtain sufficient evidence to support the changes".

### Actions/Requirements

“Sufficient evidence” will be determined on a case-by-case basis but could include email from a reliable source, a letter from the party on letterhead stationary or a fax with coversheet. Other evidence may also prove acceptable in a certain file. Issuing offices should use their best judgment as to what is sufficient evidence.

### **Agenda item 2006-45, Amends L-1 Administrative Rules**

This item adds a new Paragraph E to section VI Special Note Regarding Change in Operations. This provides that an agent may not operate in a county for a specific underwriter until the agent receives notification from TDI that the change in county has been approved and the county has been added to their agent license.

### Actions/Requirements

While this has been the position of the TDI for some time, this rule change makes it clear that an agent must wait until it has actual notification from TDI that a county has been added before it can operate in a new county. TDI auditors will have a specific date available to them when reviewing files.

### **Agenda item 2006-46, Amends Section VI of the Administrative Rules Dealing with Escrow Officers**

This agenda item changes a statutory reference and provides that once an attorney has opted to become an escrow officer, only a title agency escrow account may be used to close title insurance transactions in the name of the title company.

### Actions/Requirements

Attorneys who are escrow officers should be reminded that all title insurance transactions must be closed in their title company escrow account and not through an attorney’s trust account.

### **Agenda item 2006-47, Amends Section VI of the Administrative Rules Dealing with Escrow Officers**

This item amends Paragraph B to update a statutory reference. It also amends Paragraph C to update a statutory reference and to require that all non-attorney employees of an attorney who perform escrow functions must be licensed as escrow officers. The final two sentences are combined to make it clear that no agent or direct operation may allow an attorney to conduct the attorney’s business in the name of the title company unless the attorney and all bona fide employees of the attorney are licensed as escrow officers.

### Actions/Requirements

Issuing offices that have arrangements with attorneys who close transactions in return for a portion of the premium will need to be certain that attorneys know about this rule and are in compliance with the rule.

### **Agenda item 2006-48, Administrative Rules**

This agenda item makes numerous changes to Section VI Administrative Rules. These changes are technical and are done in response to revisions in the Texas Business Organization Code. For example, the definitions section has three new definitions: (F) partnership; (G) entity; and (H) certificate of formation. Other sections have broken sentences requiring Application Form A

and Form B into numbered sections. Other changes delete references to corporate agents and changed them to entity agents to cover limited liability companies and similar entities.

Actions/Requirements

None.

**Agenda item 2006-49, Dealing with Policy Guaranty Fees**

This item simply amends Remittance Procedure E to provide that all remittances must be postmarked on or before the remittance due date.

Actions/Requirements

None other than to send remittances on or before the quarterly due date.

**Agenda Item 2006-50, Amending the Texas Title Insurance Statistical Plan**

This agenda item makes six changes in the stat plan:

1. deletes Table 6 property classification codes for Texas Operations
2. deletes Note 7 and renumbers Note 8 as Note 7 on page 8
3. adds a new standard endorsement code for T-19.1 for a single issue R-4 policy (Code 29C 0889)
4. adds language to T-19.1 Code 29C 0889 when no amendment to the area and boundary exception is also made
5. corrects the County Code for Nolan County to 353

Actions/Requirements

Issuing offices should take steps to insure that all escrow officers and policy preparation departments have the proper rate and county codes. Issuing offices should also be aware that the form of the stat plan that the TDI will be sending to you will have different information collected and you should make appropriate changes to data collection software as necessary.

If you have any questions concerning this topic please contact:

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**Note:** Please distribute this bulletin to the appropriate associates.

## **References**

### **Bulletins Replaced:**

None.

### **Related Bulletins:**

TX000024: Home Office Issue Policies

TX000030: New Rules and Forms; Effective August 1, 1995

TX000044: Commissioner's Order for 1996 Rate Hearing

TX000053: Title Insurance Hearing Results

TX000055: Home Office Issues

TX000056: New Title Insurance Rules: Premium Split, Refinances and Reverse Mortgages

TX000061: Commissioner's Order for 2002 Hearing

TX000064: New Rates and Rules; Commissioner's Order for 2000 Hearing; Junior Mortgagee Policy

TX000068: Texas Business Organizations and Title Insurance Requirements

TX000069: Procedural Rule P-53 Rebates and Discounts Prohibited

TX000071: New Forms and Rules; Commissioner's Order for 2002 Hearing

TX000074: Area and Boundary Exception; T-17 and T-19 No survey required

TX000078: REVISED – Texas Business Organizations and Title Insurance Requirements

TX2007001: Guidelines for Use of New TDI Notification Form

### **Underwriting Manual:**

None.

### **Exceptions Manual:**

None.

### **Forms:**

**(These forms will be available May 1, 2008)**

T-48 Co-insurance Endorsement

T-31.1 MHU extended coverage endorsement

T-35 Future Advances/Revolving Credit Endorsement

T-4 Leasehold Policy Endorsement

T-47 Residential Real Property Affidavit

T-43 Texas Reverse Mortgage Endorsement

T-1 Owner's Policy of Title Insurance

T-2 Loan Policy of Title Insurance (formerly Mortgagee Policy)

T-18.1 Facultative Reinsurance Agreement

T19 and T-19.1 Restrictions, Encroachments and Minerals Endorsement

Facultative Reinsurance Agreements Types I and II

T-50 Insured Closing Letters