



## Agency Bulletin: 2017-05

Date: December 19, 2017

To: All Texas Agents

From: FNTI Agency Department

RE: Guaranty Assessment Recoupment Charge and Policy Guaranty Fee

As you are probably already aware of by now, the Texas Title Insurance Guaranty Association (TTIGA) Board of Directors has suspended the **policy guaranty fee** (currently \$3 per policy) for policies issued in Texas effective on January 1, 2018. As a reminder however, collections made during the fourth quarter 2017 are due to the Guaranty Association on or before February 1, 2018.

On Thursday, November 30, 2017, the Commissioner of the Texas Department of Insurance issued Order No. 2017-5297 to be effective on January 1, 2018, requiring title insurance agents to collect **\$4.50 directly from the purchaser of each owner's policy and each loan policy issued in 2018 as a Guaranty Assessment Recoupment Charge (GARC)**.

<http://www.tdi.texas.gov/orders/documents/20175297.pdf>

While procedurally the two charges are handled similarly, it is important to distinguish that the policy guaranty fee is different from the GARC fee, and thus the question arises as to what is actually the difference between the two. The policy guaranty fee is assessed by the TTIGA Board pursuant to authority granted in Section 2602.101 *et seq.* of Title 11 of the Texas Insurance Code for the protection of holders of covered claims and consumers served by impaired **agents**.

Again with the purpose of protecting holders of covered claims due to the failure of an **underwriter**, in 2017 TTIGA assessed all underwriters doing business in Texas an amount of \$6 million due to the failure of Southern Title Insurance Company for covered claims and the expenses of handling said claims after impairment. Pursuant to Section 2602.201 *et seq.* and Procedural Rule P-30 of the *Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*, the underwriters recoup these assessed amounts the subsequent year after the assessment. The \$4.50 charge for each owner's policy and loan policy issued in 2018 is the amount concluded by the Commissioner following a public hearing for the underwriters doing business in Texas to be reimbursed.

The Commissioner's Order also includes the Remittance Form that each title insurance agent is to use to report and remit the amounts collected each quarter to TTIGA. The remittance form (attached to this bulletin) is to be used to report/remit the \$4.50 collection for each owner's policy and each loan policy issued in 2018, the first report and remittance is due for collections in the first quarter of 2018 according to Procedural Rule P-30 is on or before May 1, 2018. The electronic version of the form may also be located on the TTIGA website, <http://ttiga.org/garc.html>

As a reminder, any title agent not collecting and remitting guaranty fees for 2017 and/or the recoupment fees for 2018 is subject to the usual fines or penalties as determined by the Texas Department of Insurance.

Thank you for choosing First National Title Insurance Company, we appreciate the trust you place in us and wish you continuing success in 2018.

**EXHIBIT B**

**2018 TTIGA Guaranty Assessment Recoupment Charge Remittance Form**

By: \_\_\_\_\_  
 (Name of Reporting Entity) (Phone Number)

\_\_\_\_\_  
 (Address) (Firm ID Number)

\_\_\_\_\_  
 (City, State, and ZIP) (Email Address)

- Check here if any of the contact information above or below has changed since your last remittance.
- Check here if you are ceasing operations and this is a final disbursement to TTIGA.

**For the Quarter:**

Beginning: \_\_\_\_\_, 2018      Ending: \_\_\_\_\_, 2018

1. Total Owner's and Loan Policies During the Quarter: \_\_\_\_\_
2. Total Guaranty Assessment Recoupment Charges remitted (multiply the amount shown above in No. 1 by \$4.50): = \$ \_\_\_\_\_

If you had no closings during the quarter and you did not collect any Guaranty Assessment Recoupment Charges, please enter "0" and mail this form.

I, \_\_\_\_\_ of \_\_\_\_\_  
certify that this information is correct and reflects all owner's and loan policies of title insurance to be reported on my agency's statistical report to TDI.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name and Position

\_\_\_\_\_  
Contact Number

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority, this the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Texas

2017-5297

Commissioner's Order  
2017 Texas Title Insurance Rate Adjustment Hearing for 2018 Rates  
Docket No. 2800  
Page 12 of 12

\_\_\_\_\_  
Printed Name of Notary

**REMIT CHECK MADE PAYABLE TO:**  
**Texas Title Insurance Guaranty Association**  
P.O. Box 2212  
Austin, TX 78701-2212

**FOR OVERNIGHT DELIVERY:**  
**Texas Title Insurance Guaranty Association**  
500 W. 5<sup>th</sup> St., Suite 1150  
Austin, TX 78701

**Note: This report and remittance are due as follows:**

**Calendar Quarter Ending**

March 31  
June 30  
September 30  
December 31

**Remittance Due Dates**

May 1  
August 1  
November 1  
February 1