

Date: August 6, 2019
To: All Texas Agents
From: FNTI Underwriting Department
RE: Rate Hearing Results - New Schedule of Basic Rates

Effective **September 1, 2019**

The **Schedule of Basic Premium Rates** was revised in three respects:

- Overall reduction in rates by 4.9%.
- The lowest rate tier on the Schedule was increased from \$10,000 to \$25,000. This increase in the bottom tier amount results in an increase in the Minimum Basic Premium Rate from \$238 to \$328.
- Three new rate tiers for jumbo policies have been added, affecting policies with face values over \$25,000,000, \$50,000,000 and \$100,000,000.

Rate Rule R-5 (the simultaneous issue rule) was revised to extend the time in which a loan policy of \$5,000,000 or more can be issued and still qualify for the \$100 simultaneous issue rate. Under the revised rule, the simultaneous issue rate will apply if the \$5,000,000 or more loan policy is issued within 90 days of the OTP for the same property, provided the ownership has not changed.

When an Owner's Policy is issued with a policy amount of \$5,000,000 or more and bears the date and time of recording of the insured instrument:

1. *The premium for each Loan Policy must be \$100.00, if:*
 - a. *the Loan Policy(ies) is issued within 90 days after the date of the Owner's Policy;*
 - b. *the Loan Policy(ies) covers the same land—or part of the land—covered by the Owner's Policy and covers no other land;*

This Underwriting Bulletin becomes a part of the principles and practices with which you are to comply under the terms of your Underwriting Agreement with First National Title Insurance Company. Should the content of this bulletin address the closing and escrow function, this information should be considered a directive and part of the principles and practices if non-compliance would result in liability to FNTI under either the insured closing service letter or policy of title insurance notwithstanding that the Underwriting Agreement does not include the closing and escrow functions of your agency.

- c. ownership of the property has not changed; and*
 - d. the amount of the Loan Policy(ies) does not exceed the amount of the Owner's Policy, and*
 - 2. If the conditions in the above paragraphs are met, but the amount of the Loan Policy(ies) exceeds the amount of the Owner's Policy, the premium charged for the Loan Policy(ies) must be:*
 - a. the Basic Rate for the combined Loan Policy amounts; minus*
 - b. the Basic Rate for the Owner's Policy; plus*
 - c. \$100 for each Loan Policy*

Rate Rule R-8 (the refinance credit) was revised to increase the credit to 50% when the date of the existing Lender Policy is 4 years or less and 25% for more than 4 years but less than 8 years.

The credit is calculated as follows:

- A. Calculate the Basic Premium on the written payoff balance of the existing loan or the original amount of that loan, whichever is less; and*
- B. Multiply by the percentage below for the time from the existing Loan Policy date to the new Loan Policy date:*
 - 1. 50% when 4 years or less.*
 - 2. 25% when more than 4 years but less than 8 years.*

Rate Rule R-20 (OTP after construction credit) was revised to change the one-year allowance to two years, thereby extending the deadline for the issuance of an OTP post-construction to two years after completion of improvements, provided the existing OTP was issued with P-8 exceptions, included the cost of construction and was for \$5,000,000 or more. If a Lender Policy is also issued, it will qualify for the simultaneous issue rate.

When a new Owner's Policy is issued by the Company that issued the existing Owner's Policy, and:

- 1. The existing Owner's Policy amount was \$5,000,000 or more;*
- 2. The existing Owner's Policy was issued as provided in Procedural Rule P-8.A;*

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3. *The premium for the existing Owner's Policy is paid in full;*
4. *The improvements have been completed;*
5. *The owners have accepted the improvements;*
6. *The Company has received satisfactory evidence that all bills for labor and materials have been paid in full;*
7. *The new Owner's Policy is issued within two years after the completion of improvements; and*
8. *The new Owner's Policy covers the same land—or a part of the land—covered by the existing Owner's Policy and covers no other land; then a new Owner's Policy must be issued at the following rates:*
 - a. *The Minimum Basic Rate; or*
 - b. *If the amount of the new Owner's Policy exceeds the amount of the existing Owner's Policy, the premium for the new Owner's Policy must be:*
 - i. *The Basic Rate; plus*
 - ii. *The Minimum Basic Premium; minus*
 - iii. *The premium for the existing Owner's Policy, or if the existing Owner's Policy was issued for a simultaneous issue rate under Rate Rule R-5.E, the current premium for the Loan Policy referred to in Rate Rule R-5E.*

Relevant portions of new rules in italicized print above.

Attached please find a copy of the new Rate Schedule effective 9-1-19. The entire Commissioner's Order No. 2019-5980 may be accessed at: <https://www.tdi.texas.gov/orders/documents/20195980.pdf#2019-5980>

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RE: Rate Hearing Results:
New Schedule of Basic Rates and jumbo policy rate tiers
Amended R-5, R-8 and R-20 Amended

Effective **September 1, 2019**

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1. *The premium for each Loan Policy must be \$100.00, if:*
 - a. *the Loan Policy(ies) is issued within 90 days after the date of the Owner's Policy;*
 - b. *the Loan Policy(ies) covers the same land—or part of the land—covered by the Owner's Policy and covers no other land;*
 - c. *ownership of the property has not changed; and*
 - d. *the amount of the Loan Policy(ies) does not exceed the amount of the Owner's Policy, and*
2. *If the conditions in the above paragraphs are met, but the amount of the Loan Policy(ies) exceeds the amount of the Owner's Policy, the premium charged for the Loan Policy(ies) must be:*
 - a. *the Basic Rate for the combined Loan Policy amounts; minus*
 - b. *the Basic Rate for the Owner's Policy; plus*
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- B. *Multiply by the percentage below for the time from the existing Loan Policy date to the new Loan Policy date:*

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When a new Owner's Policy is issued by the Company that issued the existing Owner's Policy, and:

1. *The existing Owner's Policy amount was \$5,000,000 or more;*
2. *The existing Owner's Policy was issued as provided in Procedural Rule P-8.A;*
3. *The premium for the existing Owner's Policy is paid in full;*
4. *The improvements have been completed;*
5. *The owners have accepted the improvements;*
6. *The Company has received satisfactory evidence that all bills for labor and materials have been paid in full;*
7. *The new Owner's Policy is issued within two years after the completion of improvements; and*
8. *The new Owner's Policy covers the same land—or a part of the land—covered by the existing Owner's Policy and covers no other land; then a new Owner's Policy must be issued at the following rates:*
 - a. *The Minimum Basic Rate; or*
 - b. *If the amount of the new Owner's Policy exceeds the amount of the existing Owner's Policy, the premium for the new Owner's Policy must be:*
 - i. *The Basic Rate; plus*
 - ii. *The Minimum Basic Premium; minus*
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TEXAS TITLE INSURANCE RATES

EFFECTIVE SEPTEMBER 2019



FIRST NATIONAL
TITLE INSURANCE COMPANY

Policies Up To & Including	Basic Premium										
		\$42,000	\$442	\$60,000	\$564	\$78,000	\$685	\$96,000	\$805	\$240,000	\$1,570
		\$42,500	\$446	\$60,500	\$568	\$78,500	\$689	\$96,500	\$809	\$245,000	\$1,596
\$25,000	\$328	\$43,000	\$448	\$61,000	\$571	\$79,000	\$693	\$97,000	\$813	\$250,000	\$1,623
\$25,500	\$331	\$43,500	\$452	\$61,500	\$573	\$79,500	\$694	\$97,500	\$817	\$255,000	\$1,649
\$26,000	\$335	\$44,000	\$456	\$62,000	\$577	\$80,000	\$698	\$98,000	\$820	\$260,000	\$1,675
\$26,500	\$338	\$44,500	\$459	\$62,500	\$581	\$80,500	\$702	\$98,500	\$824	\$265,000	\$1,702
\$27,000	\$340	\$45,000	\$463	\$63,000	\$583	\$81,000	\$706	\$99,000	\$827	\$270,000	\$1,728
\$27,500	\$343	\$45,500	\$466	\$63,500	\$587	\$81,500	\$708	\$99,500	\$830	\$275,000	\$1,754
\$28,000	\$347	\$46,000	\$469	\$64,000	\$591	\$82,000	\$711	\$100,000	\$832	\$280,000	\$1,781
\$28,500	\$350	\$46,500	\$473	\$64,500	\$594	\$82,500	\$716	\$105,000	\$858	\$285,000	\$1,807
\$29,000	\$355	\$47,000	\$475	\$65,000	\$597	\$83,000	\$720	\$110,000	\$885	\$290,000	\$1,833
\$29,500	\$358	\$47,500	\$478	\$65,500	\$600	\$83,500	\$722	\$115,000	\$911	\$295,000	\$1,860
\$30,000	\$361	\$48,000	\$483	\$66,000	\$604	\$84,000	\$725	\$120,000	\$937	\$300,000	\$1,886
\$30,500	\$364	\$48,500	\$487	\$66,500	\$609	\$84,500	\$729	\$125,000	\$964	\$350,000	\$2,150
\$31,000	\$368	\$49,000	\$490	\$67,000	\$612	\$85,000	\$732	\$130,000	\$990	\$400,000	\$2,413
\$31,500	\$371	\$49,500	\$493	\$67,500	\$613	\$85,500	\$735	\$135,000	\$1,016	\$450,000	\$2,677
\$32,000	\$374	\$50,000	\$496	\$68,000	\$617	\$86,000	\$738	\$140,000	\$1,043	\$500,000	\$2,940
\$32,500	\$378	\$50,500	\$499	\$68,500	\$621	\$86,500	\$743	\$145,000	\$1,069	\$550,000	\$3,204
\$33,000	\$381	\$51,000	\$501	\$69,000	\$624	\$87,000	\$747	\$150,000	\$1,096	\$600,000	\$3,467
\$33,500	\$385	\$51,500	\$505	\$69,500	\$627	\$87,500	\$749	\$155,000	\$1,122	\$650,000	\$3,731
\$34,000	\$388	\$52,000	\$510	\$70,000	\$631	\$88,000	\$752	\$160,000	\$1,148	\$700,000	\$3,994
\$34,500	\$392	\$52,500	\$514	\$70,500	\$635	\$88,500	\$756	\$165,000	\$1,175	\$750,000	\$4,258
\$35,000	\$395	\$53,000	\$516	\$71,000	\$639	\$89,000	\$760	\$170,000	\$1,201	\$800,000	\$4,521
\$35,500	\$398	\$53,500	\$520	\$71,500	\$641	\$89,500	\$762	\$175,000	\$1,227	\$850,000	\$4,785
\$36,000	\$401	\$54,000	\$523	\$72,000	\$644	\$90,000	\$765	\$180,000	\$1,254	\$900,000	\$5,048
\$36,500	\$405	\$54,500	\$526	\$72,500	\$648	\$90,500	\$769	\$185,000	\$1,280	\$950,000	\$5,312
\$37,000	\$408	\$55,000	\$529	\$73,000	\$651	\$91,000	\$773	\$190,000	\$1,306	\$1,000,000	\$5,575
\$37,500	\$412	\$55,500	\$532	\$73,500	\$654	\$91,500	\$777	\$195,000	\$1,333	\$2,000,000	\$9,905
\$38,000	\$416	\$56,000	\$537	\$74,000	\$658	\$92,000	\$779	\$200,000	\$1,359	\$3,000,000	\$14,235
\$38,500	\$419	\$56,500	\$540	\$74,500	\$662	\$92,500	\$783	\$205,000	\$1,385	\$4,000,000	\$18,565
\$39,000	\$421	\$57,000	\$543	\$75,000	\$666	\$93,000	\$786	\$210,000	\$1,412	\$5,000,000	\$22,895
\$39,500	\$425	\$57,500	\$547	\$75,500	\$668	\$93,500	\$790	\$215,000	\$1,438	\$6,000,000	\$26,465
\$40,000	\$428	\$58,000	\$551	\$76,000	\$671	\$94,000	\$791	\$220,000	\$1,464	\$7,000,000	\$30,035
\$40,500	\$433	\$58,500	\$553	\$76,500	\$674	\$94,500	\$796	\$225,000	\$1,491	\$8,000,000	\$33,605
\$41,000	\$435	\$59,000	\$556	\$77,000	\$678	\$95,000	\$801	\$230,000	\$1,517	\$9,000,000	\$37,175
\$41,500	\$439	\$59,500	\$560	\$77,500	\$681	\$95,500	\$804	\$235,000	\$1,543	\$10,000,000	\$40,745

Title Basic Premium Calculation for Policies in Excess of \$100,000

Using the table below, apply these steps to determine basic premium policies above \$100,000:



STEP 1

In Column 1, find the range that includes the policy's face value.



STEP 2

Subtract the value in Column 2 from the policy's face value.



STEP 3

Multiply the result in Step 2 by the value in Column 3 and round to the nearest dollar.



STEP 4

Add the value in Column 4 to the result of the value from Step 3.

Column 1	Column 2	Column 3	Column 4
Policy Range	Subtract	Multiply By	Add
\$100,001 - \$1,000,000	100,000	0.00527	\$832
\$1,000,001 - \$5,000,000	1,000,000	0.00433	\$5,575
\$5,000,001 - \$15,000,000	5,000,000	0.00357	\$22,895
\$15,000,001 - \$25,000,000	15,000,000	0.00254	\$58,595
\$25,000,001 - \$50,000,000	25,000,000	0.00152	\$83,995
\$50,000,001 - \$100,000,000	50,000,000	0.00138	\$121,995
Greater than \$100,000,000	100,000,000	0.00124	\$190,995

R-8. Loan Policy on a Loan to Take Up, Renew, Extend, or Satisfy and Existing Lien(s)

When a Loan Policy is issued on a loan that fully takes up, renews, extends, or satisfies one or more existing liens that are already insured by one or more existing Loan Policies, the new Loan Policy must be in the amount of the note of the new loan. The premium for the new Loan Policy is reduced by a credit. The credit is calculated as follows:

- A. Calculate the Basic Premium on the written payoff balance of the existing loan or the original amount of that loan, whichever is less; and
- B. Multiply by the percentage below for the time from the existing Loan Policy date to the new Loan Policy date:
 1. 50% when four years or less;
 2. 25% when more than four years but less than eight years; or

After eight years from the date of the Loan Policy insuring the existing loan, the Basic Rate must apply.

For more information or to calculate your exact rate please visit our website at www.fnti.com.

The information contained herein is obtained from the Texas Department of Insurance.



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