

Bill No. CS/HB 403, 1st Eng.

Amendment No.     

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Kirkpatrick moved the following amendment:

**Senate Amendment**

On page 17, line 24, through  
page 22, line 2, delete those lines

and insert:

Section 12. Section 627.7825, Florida Statutes, is  
created to read:

627.7825 Alternative rate adoption.--Notwithstanding  
s. 627.782(1) and (7), the premium rates to be charged by  
title insurers in this state from July 1, 1999, through June  
30, 2000, for title insurance contracts shall be as set forth  
in this section. The rules related to premium rates for title  
insurance, including endorsements, adopted by the department  
and in effect on April 1, 1999, that do not conflict with the  
provisions of this section shall remain in effect until June  
30, 2000. The department shall not grant a rate deviation  
pursuant to s. 627.783 for the premium rates established in  
this section and in department rules in effect on April 1,  
1999, that do not conflict with this section.

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1           (1) ORIGINAL TITLE INSURANCE RATES.--  
 2           (a) For owner and leasehold title insurance:  
 3           1. The premium for the original owner's or for  
 4 leasehold insurance shall be:

	<u>Per</u>	<u>Minimum</u>
	<u>Thousand</u>	<u>Insurer</u>
		<u>Retention</u>
9 <u>From \$0 to \$100,000 of liability written</u>	<u>\$5.35</u>	<u>30%</u>
10 <u>From \$100,000 to \$1 million, add</u>	<u>\$4.65</u>	<u>30%</u>
11 <u>Over \$1 million and up to \$10 million, add</u>	<u>\$2.80</u>	<u>35%</u>
12 <u>Over \$10 million, add</u>	<u>\$2.10</u>	<u>40%</u>

13  
 14 The minimum premium for all conveyances except multiple  
 15 conveyances shall be \$100. The minimum premium for multiple  
 16 conveyances on the same property shall be \$60.

17           2. In all cases, the owner's policy shall be issued  
 18 for the full insurable value of the premises.

19           (b) For mortgage title insurance:

20           1. The premium for the original mortgage title  
 21 insurance shall be:

	<u>Per</u>	<u>Minimum</u>
	<u>Thousand</u>	<u>Insurer</u>
		<u>Retention</u>
26 <u>From \$0 to \$100,000 of liability written</u>	<u>\$5.35</u>	<u>30%</u>
27 <u>From \$100,000 to \$1 million, add</u>	<u>\$4.65</u>	<u>30%</u>
28 <u>Over \$1 million and up to \$10 million, add</u>	<u>\$2.80</u>	<u>35%</u>
29 <u>Over \$10 million, add</u>	<u>\$2.10</u>	<u>40%</u>

30  
 31 The minimum premium for all conveyances except multiple

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1 conveyances shall be \$100. The minimum premium for multiple  
2 conveyances on the same property shall be \$60.

3 2. A mortgage title insurance policy shall not be  
4 issued for an amount less than the full principal debt. A  
5 policy may, however, be issued for an amount up to 25 percent  
6 in excess of the principal debt to cover interest and  
7 foreclosure costs.

8 (2) REISSUE RATES.--

9 (a) The reissue premium charge for owner's, mortgage,  
10 and leasehold title insurance policies shall be:

	<u>Per Thousand</u>
13 <u>Up to \$100,000 of liability written</u>	<u>\$3.30</u>
14 <u>Over \$100,000 and up to \$1 million, add</u>	<u>\$3.00</u>
15 <u>Over \$1 million and up to \$10 million, add</u>	<u>\$2.00</u>
16 <u>Over \$10 million, add</u>	<u>\$1.50</u>

17  
18 The minimum premium shall be \$100.

19 (b) Provided a previous owner's policy was issued  
20 insuring the seller or the mortgagor in the current  
21 transaction and that both the reissuing agent and the  
22 reissuing underwriter retain for their respective files copies  
23 of the prior owner's policy or policies, the reissue premium  
24 rates in paragraph (a) shall apply to:

25 1. Policies on real property which is unimproved  
26 except for roads, bridges, drainage facilities, and utilities  
27 if the current owner's title has been insured prior to the  
28 application for a new policy;

29 2. Policies issued with an effective date of less than  
30 3 years after the effective date of the policy insuring the  
31 seller or mortgagor in the current transaction; or

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1           3. Mortgage policies issued on refinancing of property  
2 insured by an original owner's policy which insured the title  
3 of the current mortgagor.

4           (c) Any amount of new insurance, in the aggregate, in  
5 excess of the amount under the previous policy shall be  
6 computed at the original owner's or leasehold rates, as  
7 provided in subsection (1).

8           (3) NEW HOME PURCHASE DISCOUNT.--Provided the seller  
9 has not leased or occupied the premises, the original premium  
10 for a policy on the first sale of residential property with a  
11 one to four family improvement that is granted a certificate  
12 of occupancy shall be discounted by the amount of premium paid  
13 for any prior loan policies insuring the lien of a mortgage  
14 executed by the seller on the premises. In the case of prior  
15 loan policies insuring the lien of a mortgage on multiple  
16 units or parcels, the discount shall be prorated by dividing  
17 the amount of the premium paid for the prior loan policies by  
18 the total number of units or parcels without regard to varying  
19 unit or parcel value. The minimum new home purchase premium  
20 shall be \$200. The new home purchase discount may not be  
21 combined with any other reduction from original premium rates  
22 provided for in this section. The insurer shall reserve for  
23 unearned premiums only on the excess amount of the policy over  
24 the amount of the actual or prorated amount of the prior loan  
25 policy.

26           (4) SUBSTITUTION LOANS RATES.--

27           (a) When the same borrower and any lender make a  
28 substitution loan on the same property, the title to which was  
29 insured by an insurer in connection with the previous loan,  
30 the following premium rates for substitution loans shall  
31 apply:

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<u>Age of Previous Loan</u>	<u>Premium Rates</u>
<u>3 years or under</u>	<u>30 percent of the original rates</u>
<u>From 3 to 4 years</u>	<u>40 percent of the original rates</u>
<u>From 4 to 5 years</u>	<u>50 percent of the original rates</u>
<u>From 5 to 10 years</u>	<u>60 percent of the original rates</u>
<u>Over 10 years</u>	<u>100 percent of original rates</u>

The minimum premium for substitution loan rates shall be \$100.

(b) At the time a substitution loan is made, the unpaid principal balance of the previous loan will be considered the amount of insurance in force on which the foregoing premium rates shall be calculated. To these rates shall be added the original rates in the applicable schedules for any new insurance, including any difference between the unpaid principal balance of the previous loan and the amount of the new loan.