

Bill No. CS for SB 746

Amendment No.

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11	Senator Grant moved the following amendment:		
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13	Senate Amendment (with title amendment)		
14	On page 9, between lines 27 and 28,		
15			
16	insert:		
17	Section 10. Section 627.7825, Florida Statutes, is		
18	created to read:		
19	<u>627.7825 Alternative rate adoption.--Notwithstanding</u>		
20	<u>s. 627.782(1) and (7), the premium rates to be charged by</u>		
21	<u>title insurers in this state from July 1, 1999, through June</u>		
22	<u>30, 2002, for title insurance contracts shall be as set forth</u>		
23	<u>in this subsection. The rules related to premium rates for</u>		
24	<u>title insurance, including endorsements, adopted by the</u>		
25	<u>department and in effect on April 1, 1999, which do not</u>		
26	<u>conflict with this section shall remain in effect until June</u>		
27	<u>30, 2002. The department shall not grant a rate deviation</u>		
28	<u>under s. 627.783 for the premium rates established in this</u>		
29	<u>section and in department rules in effect on April 1, 1999,</u>		
30	<u>which do not conflict with this section.</u>		
31	<u>(1) ORIGINAL TITLE INSURANCE RATES.--</u>		

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1 (a) For owner and leasehold title insurance:

2 1. The premium for the original owner's or for
 3 leasehold insurance shall be:

	<u>Per</u>	<u>Minimum</u>
	<u>Thousand</u>	<u>Insurer</u>
		<u>Retention</u>
8 <u>From \$0 to \$100,000 of liability written</u>	<u>\$5.75</u>	<u>30%</u>
9 <u>From \$100,000 to \$1 million, add</u>	<u>\$5.00</u>	<u>30%</u>
10 <u>Over \$1 million and up to \$5 million, add</u>	<u>\$2.50</u>	<u>35%</u>
11 <u>Over \$5 million and up to \$10 million, add</u>	<u>\$2.25</u>	<u>40%</u>
12 <u>Over \$10 million, add</u>	<u>\$2.00</u>	<u>40%</u>

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>\$5.75</u>	<u>30%</u>
27 <u>From \$100,000 to \$1 million, add</u>	<u>\$5.00</u>	<u>30%</u>
28 <u>Over \$1 million and up to \$5 million, add</u>	<u>\$2.50</u>	<u>35%</u>
29 <u>Over \$5 million and up to \$10 million, add</u>	<u>\$2.25</u>	<u>40%</u>
30 <u>Over \$10 million, add</u>	<u>\$2.00</u>	<u>40%</u>

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

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

9 (2) REISSUE RATES.--

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

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

18
 19 The minimum premium shall be \$100.

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

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

30 2. Policies issued with an effective date of less than
 31 3 years after the effective date of the policy insuring the

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1 seller or mortgagor in the current transaction; or
2 3. Mortgage policies issued on refinancing of property
3 insured by an original owner's policy that insured the title
4 of the current mortgagor.

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

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

27 (4) SUBSTITUTION LOANS RATES.--

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

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1 apply:

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

9

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

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

19 (c) In the case of a substitution loan of \$250,000 or
 20 more, when the same borrower and any lender make a
 21 substitution loan on the same property, the title to which was
 22 insured by an insurer in connection with the previous loan,
 23 the premium for such substitution loans shall be the rates as
 24 set forth in paragraphs (a) and (b).

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26 (Redesignate subsequent sections.)

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29 ===== T I T L E A M E N D M E N T =====

30 And the title is amended as follows:

31 On page 1, line 14, after the semicolon

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1 insert:

2 creating s. 627.7825, F.S.; specifying certain
3 alternative premium rates to be charged by
4 title insurers for certain title insurance
5 contracts for a certain period; providing
6 requirements; providing limitations; providing
7 for a new home purchase discount; excepting
8 such rates from certain deviation provisions
9 under certain circumstances;

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