

Bill No. CS for SB 746

Amendment No.

1 1999, that do not conflict with this section.

2 (1) ORIGINAL TITLE INSURANCE RATES.--

3 (a) For owner and leasehold title insurance:

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

| | <u>Per</u> | <u>Minimum</u> |
|--|-----------------|------------------|
| | <u>Thousand</u> | <u>Insurer</u> |
| | | <u>Retention</u> |
| 10 <u>From \$0 to \$100,000 of liability written</u> | <u>\$5.35</u> | <u>30%</u> |
| 11 <u>From \$100,000 to \$1 million, add</u> | <u>\$4.65</u> | <u>30%</u> |
| 12 <u>Over \$1 million and up to \$10 million, add</u> | <u>\$2.80</u> | <u>35%</u> |
| 13 <u>Over \$10 million, add</u> | <u>\$2.10</u> | <u>40%</u> |

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

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

20 (b) For mortgage title insurance:

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

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

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 19 The minimum premium shall be \$100.

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

26 1. Policies on real property which is unimproved
 27 except for roads, bridges, drainage facilities, and utilities
 28 if the 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 which 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.--Provided the seller
10 has not leased or occupied the premises, the original premium
11 for a policy on the first sale of residential property with a
12 one to four family improvement that is granted a certificate
13 of occupancy shall be discounted by the amount of premium paid
14 for any prior loan policies insuring the lien of a mortgage
15 executed by the seller on the premises. In the case of prior
16 loan policies insuring the lien of a mortgage on multiple
17 units or parcels, the discount shall be prorated by dividing
18 the amount of the premium paid for the prior loan policies by
19 the 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 any 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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3 Age of Previous Loan Premium Rates

4 3 years or under 30 percent of the original rates

5 From 3 to 4 years 40 percent of the original rates

6 From 4 to 5 years 50 percent of the original rates

7 From 5 to 10 years 60 percent of the original rates

8 Over 10 years 100 percent of original rates

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.

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