

TDI PROPOSAL TO AMEND THE BASIC MANUAL OF RULES, RATES AND FORMS FOR THE WRITING OF TITLE INSURANCE IN THE STATE OF TEXAS

I. INTRODUCTION

The Texas Department of Insurance proposes changes to the *Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas* (Basic Manual). TDI's proposals are attached as Exhibits 20–26. TDI's proposals will (1) allow electronic signatures on escrow checks; (2) update the Escrow Account Auditor's Opinion Letter to conform with current accounting standards; (3) update statistical codes for mortgage refinance transactions; (4) correct a clerical error on the Policy of Title Insurance (USA) form; (5) update TDI's address on the title agent's minimum capitalization bond form; (6) replace notarization requirements on several licensing forms with an unsworn declaration; and (7) update existing statistical codes and add new codes for endorsements proposed by TLTA.

These updates are necessary because they will relieve burdens on consumers and licensees, reduce confusion on statistical reporting, and modernize TDI forms to current standards.

II. STATUTORY AUTHORITY

TDI is authorized to add these items under Insurance Code §§2703.206, 2703.153, and 36.001:

- Section 2703.206 allows the commissioner to order a public hearing to consider adoption of premium rates and other matters relating to the regulating the business of title insurance as the commissioner determines necessary or proper.
- Section 2703.153 requires that the commissioner establish amendments to the contents of the statistical report through a rulemaking hearing held under Government Code Chapter 2001, Subchapter B.
- Section 36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

III. PROPOSAL FOR CONSIDERATION AND ADOPTION

TDI proposes the following changes to the Basic Manual:

1. Allow electronic signatures on escrow checks (Exhibit 21)

TDI proposes to amend Internal Control No. 5 in the Basic Manual to allow for electronic signatures on escrow checks. Authorized signatories will be able to sign checks without having to be physically present when they are issued. This change will increase efficiency and lower transaction costs.

2. Update the Escrow Account Auditor's Opinion Letter (Exhibit 22)

TDI proposes to amend Form PC-150 (Exhibit A) in the Basic Manual because an update is needed. The Auditor's Opinion Letter for trust funds has not been updated since March 1, 1990. Since that time the Texas State Board of Public Accountancy (State Board) standards have changed, and the opinion letter requires an update because it does not meet the State Board's requirements.

3. Correct a clerical error on the Policy of Title Insurance (USA) form (Exhibit 23)

TDI proposes a nonsubstantive amendment to Form T-11, Policy of Title Insurance (USA), to correct a clerical error where the last item on a numbered list does not have its corresponding number.

4. Update TDI's address on the title insurer's minimum capitalization bond form (Exhibit 24)

Form PC-417, Texas Title Insurance Agent's Minimum Capitalization Bond, has an out-of-date address that needs to be updated. There are no other changes being proposed to this form.

5. Remove notarization requirements on licensing forms (Exhibit 25)

TDI proposes to replace the notarization requirements with an unsworn declaration on the following licensing forms:

- FINT 08, Title insurance licensing biographical information
- FINT 09, Escrow officer appointment
- FINT 10, Title Insurance Agent or Direct Operation Appointment
- FINT 129, Title insurance agent or direct operation change request form
- FINT 143, Application for title insurance agent or direct operation license

These forms have a notary requirement that is unnecessary and burdensome for licensees. The Texas Civil Practice and Remedies Code § 132.001 allows for an alternative form of a sworn statement that can be used instead of a notarized affidavit where it is otherwise required by statute, rule, order, or other law.

6. Update codes in the Title Insurance Statistical Plan related to discounts applied to refinancing loan policies (Exhibit 26)

TDI proposes to amend statistical codes related to discounts applied to policies for refinancing loans. When an update to Rate Rule R-8 was adopted in 2018, it changed the transaction descriptions and corresponding rate rule sections that needed matching codes in the statistical plan. The codes currently in the statistical plan relating to these discounts were not properly updated; this will correct the transaction description to match those codes.

7. Revise contents of the Title Insurance Statistical Plan related to changes proposed by TLTA (Exhibit 27)

TDI proposes revisions to the statistical plan to allow TDI to collect experience data related to certain rate changes and new endorsements TLTA has proposed in this proceeding. TDI must collect data to fulfill its duty to fix and promulgate title insurance premium rates required by Insurance Code Chapter 2703, Subchapter D. The ability to collect experience data related to the proposed rate changes and new endorsements will help TDI fulfill its duty.

TDI
EXHIBIT 21
MINIMUM ESCROW ACCOUNTING PROCEDURES AND INTERNAL CONTROLS

CITATION

Section V, Minimum Escrow Accounting Procedures and Internal Controls, Internal Control No. 5 of *The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas*.

ISSUE AND JUSTIFICATION

To increase efficiency and lower transaction costs, TDI is proposing to amend Internal Control No. 5 to allow for electronic signatures on escrow checks. Authorized signatories will be able to sign checks without having to be physically present where they are issued.

PROPOSED REVISIONS

Section V, Minimum Escrow Accounting Procedures and Internal Controls, Internal Control No. 5

5. Two signatures are required on all escrow checks, but this requirement is waived if the escrow agent has four or fewer employees. Only one signature must be that of a licensed escrow officer, but this requirement is waived if the escrow agent is a sole proprietorship and the owner or individual partner signs the escrow check. Escrow checks may be signed electronically as permitted by Texas Insurance Code Chapter 35 and Texas Business and Commerce Code Chapter 322.

TDI
EXHIBIT 22
Form PC150, Exhibit A

CITATION

The Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas, Section V, Exhibits and Forms, Minimum Standards, Specific Instructions and Report Forms for Audit of Trust Funds, Independent Auditor's Report Exhibit A.

ISSUE AND JUSTIFICATION

The auditor's opinion letter (Exhibit A) for the audit of trust funds has not been updated as a promulgated form since March 1, 1990. Current state standards from the Texas State Board of Public Accountancy have changed from the last time Exhibit A was amended. The current promulgated form does not meet current state standards. The accounting industry has asked TDI to update form Exhibit A to help them meet their state requirements.



Texas Department of Insurance
**Financial Regulation Division – Title Examinations Property & Casualty
Program – Title Division**, Mail Code PC-PCL 106-2T
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P. O. Box 12030 449104,
Austin, Texas 78711-2030 78714-
9104
512-676-6880 512-322-3482
telephone •
512-305-7426 fax •
Email:
titleexaminations@tdi.texas.gov
www.tdi.texas.gov

EXHIBIT A
INDEPENDENT AUDITOR'S REPORT

To: _____

Opinion

We have audited the accompanying schedule of Statement of Assets and Liabilities of Trust (Escrow) Fund Accounts of _____ as of _____, and the related notes, prepared from the accounts maintained at your office at

In our opinion, the schedule of the Statement of Assets and Liabilities of Trust (Escrow) Fund Accounts referred to above presents fairly, in all material respects, the assets and liabilities of such accounts handled by, _____ as _____ of _____, in accordance conformity with accounting principles generally accepted in the United States of America. generally accepted accounting principles.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Information section of our report. We are required to be independent of _____ and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Institution

Management is responsible for the preparation and fair presentation of the schedule in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

In preparing the schedule, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about _____'s ability to continue as a going concern within one year after the date that the schedule is available to be issued.

Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of _____'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt period of time.

~~This financial statement is the responsibility of the company's management. Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with generally accepted auditing standards. those standards require that we plan and perform the audit to obtain~~

~~reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.~~

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

~~Our audit has been made for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental information contained in Exhibits C through F, inclusive, and Exhibit H of this report are presented as additional information and is not a required part of the basic financial statement. Such information has been subjected to the audit procedures applied in the examination of the basic statement of assets and liabilities, and is fairly stated in all material respects in relation to the basic statement of assets and liabilities, taken as a whole.~~

[Firm's Signature] (Signature)

(Date)

[Location of Firm (City, State Where Auditor's Report is Issued)]

[Report Date]

**TDI
EXHIBIT 23
FORM T-11**

CITATION

Section II, Insuring Forms, Form T-11 Policy of Title Insurance (USA).

ISSUE AND JUSTIFICATION

Insuring form T-11 *Policy of Title Insurance (USA)* has a clerical error where the last item on a numbered list does not have its corresponding number. This item will only make the nonsubstantive correction to add the missing number.

PROPOSED REVISIONS

Form T-11 Policy of Title Insurance (USA)

POLICY OF TITLE INSURANCE (USA)

ISSUED BY
_____ TITLE INSURANCE COMPANY

Policy Number _____ Amount \$ _____

_____, a _____ Corporation, herein called the
Company, for a valuable consideration _____ Hereby
Insures _____

THE UNITED STATES OF AMERICA

hereinafter called the Insured, against loss or damage not exceeding _____
Dollars, together with costs and expenses which the Company may become
obligated to pay as provided in the Conditions and Stipulations hereof, which the
Insured shall sustain by reason of:

any defect in or lien or encumbrance on the title to the estate or interest covered hereby in the land described or referred to in Schedule A, existing at the date hereof, not shown or referred to in Schedule B or excluded from coverage by the General Exceptions;

all subject, however, to the provisions of Schedules A and B and to the General Exceptions and to the Conditions and Stipulations hereto annexed; all as of the _____ day of _____, 20__, the effective date of this policy.

In Witness Whereof, _____ Title Insurance Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers.

Countersigned: _____ Title Insurance Company

By _____
President

By _____
Secretary

SCHEDULE A

1. The estate or interest in the land described or referred to in this schedule covered by this policy is: (Will be shown as a fee or such lesser estate or interest owned by the person or party named in paragraph 2 of this Schedule.)
2. Title to the estate or interest covered by this policy at the date hereof is vested in:
3. The land referred to in this policy is situated in the County of _____, State of _____, and is described as follows:

(This phraseology may be modified to eliminate a specific description by including it by reference to the description as contained in a specific instrument.)

SCHEDULE B

This policy does not insure against loss or damage by reason of the following:

1. Current and delinquent standby fees and taxes and assessments as follows:
(List all taxing districts in which the land is situated and other taxing authorities that have jurisdiction over said land for the levy of taxes and standby fees; showing lien date for each and amounts for all such assessments that have not been paid on the date of the policy.)
2. (Continue with the Special Exceptions such as recorded easements, liens, etc., showing in addition the persons or parties holding such interests of record, and who the Company would require to convey such interest or who would be the proper parties defendant in a condemnation proceeding to eliminate such matter.

The write-up could be substantially as follows:

An easement for road purposes conveyed to ____, by deed recorded _____.)

GENERAL EXCEPTIONS Governmental Powers

1. Because of limitations imposed by law on ownership and use of property, or which arise from governmental powers, this policy does not insure against:
 - (a) consequences of the future exercise or enforcement or attempted exercise or enforcement of police power, bankruptcy power, or power of eminent domain, under any existing or future law or governmental regulation;
 - (b) consequences of any law, ordinance or governmental regulation, now or hereafter in force, (including building and zoning ordinances) limiting or regulating the use or enjoyment of the property, estate or interest described in Schedule A, or the character, size, use or location of any improvement now or hereafter erected on said property.

Matters Not of Record

2. The following matters which are not of record at the date of this policy are not insured against:
 - (a) rights or claims of parties in possession not shown of record;

- (b) questions of survey;
- (c) easements, claims of easement or mechanics' liens where no notice thereof appears of record; and
- (d) conveyances, agreements, defects, liens or encumbrances, if any, where no notice thereof appears of record; provided, however, the provisions of this subparagraph 2(d) shall not apply if title to said estate or interest is vested in the United States of America on the date hereof.

**Matters Subsequent to
Date of Policy**

- 3. This policy does not insure against loss or damage by reason of defects, liens or encumbrances created subsequent to the date hereof.

Refusal to Purchase

- 4. This policy does not insure against loss or damage by reason of the refusal of any person to purchase, lease or lend money on the property, estate or interest described in Schedule A.

Creditors' Rights

- 5. This policy does not insure against any claim, which arises out of the transaction vesting in the Insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (a) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (b) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (i) to timely record the instrument of transfer; or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CONDITIONS AND STIPULATIONS

Notice of Actions.

1. If any action or proceeding shall be begun or defense asserted which may result in an adverse judgment or decree resulting in a loss for which this Company is liable under this policy, notice in writing of such action or proceeding or defense shall be given by the Attorney General to this Company within 90 days after notice of such action or proceeding or defense has been received by the Attorney General; and upon failure to give such notice then all liability of this Company with respect to the defect, claim, lien or encumbrance asserted or enforced in such action or proceeding shall terminate. Failure to give notice, however, shall not prejudice the rights of the party insured, (1) if the party insured shall not be a party to such action or proceeding, or (2) if such party, being a party to such action or proceeding be neither served with summons therein nor have actual notice of such action or proceedings, or (3) if this Company shall not be prejudiced by failure of the Attorney General to give such notice.

Notices of Writs.

2. In case knowledge shall come to the Attorney General of the issuance or service of any writ of execution, attachment or other process to enforce any judgment, order or decree adversely affecting the title, estate or interest insured said party shall notify this Company thereof in writing within 90 days from the date of such knowledge; and upon a failure to do so, then all liability of this Company in consequence of such judgment, order or decree or matter thereby adjudicated shall terminate unless this Company shall not be prejudiced by reason of such failure to notify.

Defense of Claims.

3. This Company agrees, but only at the election and request of the Attorney General of the United States, to defend at its own cost and expense the title, estate or interest hereby insured in all actions or other proceedings which are founded upon or in which it is asserted by way of defense, a defect, claim, lien or encumbrance against which this policy insured, provided, however, that the request to defend is given within sufficient time to permit the Company to answer or otherwise participate in the proceeding. If any action or proceeding shall be begun or defense be asserted in any action or proceeding affecting or relating to the title, estate or interest hereby insured and the Attorney General

elects to defend at the Government's expense, the Company shall upon request, cooperate and render all reasonable assistance in the prosecution or defense of such proceeding and in prosecuting appeals.

If the Attorney General shall fail to request and permit the Company to defend, then all liability of the Company with respect to the defect, claim, lien or encumbrance asserted in such action or proceeding shall terminate; provided, however, that if the Attorney General shall give the Company timely notice of all proceedings and an opportunity to suggest such defense and actions as it shall conceive should be taken and the Attorney General shall present the defenses and take the actions of which the Company shall advise him in writing, then the liability of the Company shall continue; but in any event the Company shall permit the Attorney General without cost or expense to use the information and facilities of the Company for all purposes which he thinks necessary or incidental to the defending of any such action or proceeding or any claim asserted by way of defense therein and to the prosecuting of an appeal.

Compromise of Adverse Claims.

4. Any compromise, settlement or discharge by the United States or its duly authorized representative of an adverse claim, without the consent of this Company shall bar any claim against the Company hereunder; provided, however, that the Attorney General may at his election submit to the issuing company for approval or disapproval any proposed compromise, settlement or discharge of any adverse claim and in the event of the consent of the issuing company to the proposed compromise, settlement or discharge it shall be liable for the payment of the full amount paid.

Statement of Loss.

5. A statement in writing of any loss or damage sustained by the party insured, and for which it is claimed this Company is liable under this policy, shall be furnished by the Attorney General to this Company within 90 days after said party has notice of such loss or damage and no right of action shall accrue under this policy until 30 days after such statement shall have been furnished. No recovery shall be had under this policy unless suit be brought thereon within one year after said period of 30 days. Failure to furnish such statement of loss or to bring such suit within the times specified shall not affect the Company's liability under this policy unless this company has been prejudiced by reason of such failure to furnish a statement of loss or to bring such suit.

Policy Reduced by Payments of Loss.

6. All payments of loss under this policy shall reduce the amount of this policy pro tanto.

Amendment of Policy.

7. No provision or condition of this policy can be waived or changed except by writing endorsed hereon or attached hereto signed by the President, a Vice President, the Secretary, and Assistant Secretary or other validating officer of the Company.

Notices, Where Sent.

8. All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at (insert proper address).

TDI
EXHIBIT 24
PC-417 TEXAS TITLE INSURANCE AGENT'S MINIMUM CAPITALIZATION BOND

CITATION

Section VI, Administrative Rules, Section II, Form PC-417 Texas Title Insurance Agent's Minimum Capitalization Bond.

ISSUE AND JUSTIFICATION

Form PC-417 has an out-of-date address that needs to be updated. There are no other changes being made to the form.

PROPOSED REVISIONS

TEXAS TITLE INSURANCE AGENT'S MINIMUM CAPITALIZATION BOND

Bond No. _____

KNOW ALL PERSONS BY THESE PRESENTS;

That subject to the terms, conditions and limitations of this bond, _____, as Principal, whose address is _____ and _____, as Surety, being a surety company authorized to do business in the State of Texas, are held and firmly bound unto the Commissioner of Insurance in the sum of _____ (bond amount determined by §2651.012(c)(1) - (4) of the Insurance Code) payable to the Texas Department of Insurance, the payment of which Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, by these presents.

The conditions of the above obligations are such that:

WHEREAS, the above-named Principal is licensed by the Texas Department of Insurance as a Title Insurance Agent and engaged in the business of a Title Insurance Agent, in accordance

with the provisions of "The Texas Title Insurance Act" of the State of Texas.

NOW, THEREFORE, the conditions of this obligation are such that the Principal shall pay to the Commissioner of Insurance such pecuniary losses as a result of the above bound Principal being not in compliance with the minimum capitalization standards set forth in Insurance Code §2651.012 declared impaired, then this obligation shall be null and void, otherwise to remain in full force and effect, subject to the following:

1. This bond shall be effective as of the beginning of the _____ day of _____, 20____, and shall continue until liability hereunder is terminated as provided herein below.

2. The Surety may at any time cancel this bond by giving sixty (60) days' written notice to the Texas Department of Insurance by certified mail at the following address: Texas Department of Insurance, Property and Casualty Lines, P.O. Box 12030, MC: PC-PCL 149104, Austin, Texas 78711-2030 ~~78714-9104~~. The Surety, however, remains liable for any obligations under this bond committed prior to the expiration of such sixty (60) day period.

3. In no event shall the aggregate liability of the Surety under this bond exceed the penal sum of this bond.

IN WITNESS WHEREOF said Principal and Surety have executed this bond this _____ day of _____, 20____, to be effective on the _____ day of _____, 20____.

Principal

By: _____

Address: _____

Surety

By: _____

Address: _____

TDI
EXHIBIT 25
FINT 8, FINT 9, FINT 10, FINT 129, AND FINT 143
TITLE LICENSING FORMS

CITATION

Section VI, Administrative Rules, Title Licensing Forms, FINT 8, Title insurance licensing biographical information; FINT 9, Escrow officer appointment; FINT 10, Title Insurance Agent or Direct Operation Appointment; FINT 129, Title insurance agent or direct operation change request form; FINT 143, Application for title insurance agent or direct operation license.

ISSUE AND JUSTIFICATION

The above-referenced licensing forms have a notary requirement that is unnecessary and burdensome for licensees. The Texas Civil Practice and Remedies Code Section 132.001 allows for an alternative form of a sworn statement without requiring notarization. TDI is amending these forms to remove the notary requirement and replace it with an "unsworn declaration" meeting the requirements of Section 132.001. Additionally, some addresses have been updated on the forms.

PROPOSED REVISIONS

(See following pages.)

Title insurance licensing biographical information

When sending this form with an application for a title insurance agent or direct operation license (Form FINT143), fill out this form for each individual listed for your business type:

- For a sole proprietorship, the sole proprietor and each designated on-site manager.
- For a partnership, each designated on-site manager and partner who is in control.
- For an entity, each officer, director, limited liability company manager, designated on-site manager, and person who is in control of the entity.
- Each controlling person of an entity or partnership who is in control of the entity or partnership applicant.

► Tell us about the title insurance agent or direct operation you are filling out this form for:

Name of the title insurance agent or direct operation _____

TDI license number (if they have one) _____

Firm ID number (if they have one) _____

Federal tax identification number _____

► Tell us about yourself:

Section 1: Questions about name, address, and position

Name _____

First name _____ Middle name _____ Last name _____ Suffix _____

Social Security number _____ **Date of birth** ____/____/____

Email _____

Home physical address

Street address or route _____

City _____ State _____ Zip _____

Positions you hold related to this title insurance agent or direct operation



(check all that apply)

Shareholder Member Partner LLC Manager



Officer Director Designated on-site manager

During the past 5 years, were you a manager (or comparable position) of a Texas title insurance agent or direct operation?

If yes:

  Attach a resume that shows proof that you were a manager (or comparable position) of a Texas title insurance agent or direct operation.

 If no:

  Attach a certificate of completion for a management training course, as outlined in Procedural Rule P-28.IV.A of the Title Insurance Basic Manual (www.tdi.texas.gov/title/titleman.html).

Section 2: Questions about legal offenses

When answering the following question: (1) include any offense filed against you in Texas, any other state, or by the federal government; and (2) do not include traffic violations and first offense DWI (driving while intoxicated or under the influence).

- | | | |
|---|------------------------------|-----------------------------|
| 1. Do you have pending misdemeanor or felony charges (by indictment, information, or any other instrument)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Have you been convicted of any misdemeanor or felony offense? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Have you had adjudication deferred on any misdemeanor or felony charge or offense? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Have you served probation for any misdemeanor or felony offense? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

  **If you answered “Yes” to any question in Section 2, attach one of the following:**

A certified copy of: (1) the indictment or charging document, (2) conviction, (3) order deferring adjudication, and/or (4) judgment and conditions of probation from the appropriate jurisdiction. This is needed for each crime or offense.

or

A statement that explains that you already sent information about the crime or offense to the Texas Department of Insurance.

You also can send letters of recommendation and a resume with these attachments.

Section 3: Questions about licenses, litigation, and more

- | | | |
|---|------------------------------|-----------------------------|
| 5. Have you, or has any corporation, partnership, association, or firm in which you were a director, officer, shareholder, manager, member, or partner, been: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <ul style="list-style-type: none"> • The subject of an administrative or legal action filed by Texas or another state’s insurance department or financial regulatory agency? | | |
| or | | |
| <ul style="list-style-type: none"> • The subject of an action filed on behalf of any state or by the federal government based on alleged violations of state or federal insurance, securities, or financial regulatory laws? | | |
| 6. Have you had an agency contract or appointment canceled for cause such as a misrepresentation or misappropriation? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |



7. Have you had a professional license, or an insurance license denied, suspended, or revoked in Texas or any other state? Yes No

8. Have you had any judgments against you held by an insurance company or insured person or business that are unpaid in whole or in part? Yes No



9. Have you had any judgments against you that involved a violation of the Texas Insurance Code or the insurance laws of any other state? Yes No

10. Have you ever applied for a letter of consent, as required under section 18 U.S.C. 1033(e), from any insurance regulatory official from Texas or any other state? Yes No

If yes:

  Attach a statement that gives details about the proceeding’s outcome and all supporting documents.

If no and you have been convicted of (1) any criminal felony involving dishonesty or breach of trust, or (2) an offense under section 18 U.S.C. 1033:

  Attach a signed and notarized request for written consent and all supporting documents.

  **If you answered “Yes” to any question in Section 3, attach a statement with dates and details.**

► Fingerprint background check:

Most people must: (1) get a fingerprint background check, and (2) send us a copy of the receipt showing that their fingerprints were sent to the Texas Department of Public Safety.

- To schedule a fingerprint appointment, go to [IdentoGO](http://IdentoGO.com) or call 1-888-467-2080. Use service code 11G6QF when making the appointment.
- **You do not need to get a fingerprint background check if you live in Texas and either:** (1) have an active license or registration with TDI, or (2) had an escrow officer license that has not been canceled for more than 60 days.

If you have an active license or registration or had an escrow officer license, what is or was your license number? _____

To learn more about requirements, go to www.tdi.texas.gov/agent/escrow-officer-apply.html.

► Sign here:

I confirm that all statements, supporting forms, schedules, documents, and exhibits given for this license are true and correct.

Signature of person filling out this form

Date



► **Declaration:**

My name is _____, my date of birth is

_____, and my address is:

_____. I declare

(Street Address, City, State, Zip Code, and Country)

under penalty of perjury that the information on this form is true and correct.

Executed in _____ County, State of _____,

on _____

(date)

Declarant's Signature

► **~~To be filled out by a notary public:~~**

State of _____

County of _____

Before me, notary public, on this day personally appeared _____

Appointing official's name

~~known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.~~

~~(Personalized seal)~~

Notary public's signature

► **Return this form and any attachments one of these ways:**

Mail:

Agent and Adjuster Licensing

Overnight mail or in person:

Agent and Adjuster Licensing

Texas Department of Insurance
 PO Box 12030, MC: CO-AAL
 Austin, Texas 78711-2030 ~~2069~~

Texas Department of Insurance
1601 Congress Ave. ~~333 Guadalupe~~, MC: CO-
 AAL
 Austin, Texas 78701

Email: TDI-TitleLicensing@tdi.texas.gov

► **Contact us if you have questions:**

You can: (1) use our online question form at www.tdi.texas.gov/agent/question.html, (2) email TDI-TitleLicensing@tdi.texas.gov, (3) or call 512-676-6500.

► **Know your rights:**

You have the right to see and get facts we have about you: If you want to get information we have about you, you must ask us in writing. You might need to pay to get a copy of this information. You can send your letter or email one of these ways:

Email: OpenRecords@tdi.texas.gov

Insurance Fax: 512-490-1021

Coordinator

In person: 1601 Congress Ave. ~~333 Guadalupe~~, Austin, Texas 78701 PO Box 12030 149104 (Mail code GC-ORO ~~110-1C~~)

Mail: Texas Department of
 Public Information

Austin, Texas 78711-2030 78714-9104

- **Your rights:** You can request information we have about you by emailing OpenRecords@tdi.texas.gov or writing to: Public Information Coordinator, Texas Department of Insurance, P.O. Box 12030 (mail code GC-ORO) Austin, Texas 78711-2030. You also have the right to ask that we fix information we have about you that is wrong. To ask for a correction, send (1) your name, mailing address, and your phone number, (2) details about what needs to be fixed, and (3) the reason or proof showing why the information is wrong. Send this by email to RecordCorrections@tdi.texas.gov or by mail to: Record Correction Request, Texas Department of Insurance, P.O. Box 12030 (mail code CO- AAL-CC), Austin, Texas 78711-2030.

Escrow officer appointment

Use this form to:

- Appoint an escrow officer.
- End an escrow officer appointment.

► Answer the following questions:

Title insurance agent or direct operation

Name _____

TDI license number _____

Firm ID number _____

Escrow officer

Name _____

First	Middle	Last	Suffix
-------	--------	------	--------

TDI license number (if the escrow officer has one) _____

► Fill out this section to appoint an escrow officer

◆ You must send \$10 to the Texas Department of Insurance, unless this is an escrow officer's first appointment with an Application for escrow officer license (Form FINT132).

Employment status

- Escrow officer is an employee working directly for the title insurance agent or direct operation.
- Escrow officer is an attorney.
- Escrow officer is an employee of an attorney who is a Texas licensed escrow officer with the appointing title insurance agent or direct operation.

Name of attorney _____

TDI license number _____

Escrow officer bond or deposit. Choose only one.

Surety bond

Bonding company name _____

Bond number _____

Bond amount \$ _____

Letter of credit

Bank name of issuance _____

Letter number _____

Credit amount \$ _____

Cash deposit

Depository institution _____

Cash deposit receipt number _____

Deposit amount \$ _____

▶ **Fill out this section to end an escrow officer appointment**

The escrow officer's appointment will end on _____
Date

▶ **Sign here:**

I confirm that I am authorized to sign for the title insurance agent or direct operation and that all answers I gave on this form are true and correct.

Appointing official's signature Date

▶ **Declaration:**

My name is _____, my date of birth is _____

_____, and my address is:

_____. I declare
(Street Address, City, State, Zip Code, and Country)

under penalty of perjury that the information on this form is true and correct.

Executed in _____ County, State of _____.

on _____
____ (date)

Declarant's Signature

► ~~To be filled out by a notary public:~~

State of _____

County of _____

Before me, notary public, on this day personally appeared _____
Appointing official's name

~~known to me to be the person whose name is subscribed to the foregoing document and,
being by me first duly sworn, declared that the statements therein contained are true and
correct.~~

(Personalized seal)

Notary public's signature

► **Return this form and any attachments one of these ways:**

Mail:

Agent and Adjuster Licensing
Texas Department of Insurance
PO Box 12030, MC: CO-AAL

Austin, Texas 78711-~~2069~~ 2030

Overnight mail or in person:

Agent and Adjuster Licensing
Texas Department of Insurance
1601 Congress Ave. 333 Guadalupe, MC:
CO-AAL

Austin, Texas 78701

► **Contact us if you have questions:**

You can: (1) use our online question form at www.tdi.texas.gov/agent/question.html,
(2) email TDI-TitleLicensing@tdi.texas.gov, (3) or call 512-676-6475.

► **Know your rights:**

Your rights: You can request information we have about you by emailing OpenRecords@tdi.texas.gov or writing to: Public Information Coordinator, Texas Department of Insurance, P.O. Box 12030 (mail code GC-ORO) Austin, Texas 78711-2030. You also have the right to ask that we fix information we have about you that is wrong. To ask for a correction, send (1) your name, mailing address, and your phone number, (2) details about what needs to be fixed, and (3) the reason or proof showing why the information is wrong. Send this by email to RecordCorrections@tdi.texas.gov or by mail to: Record Correction Request, Texas Department of Insurance, P.O. Box 12030 (mail code CO-AAL-CC), Austin, Texas 78711-2030

Title Insurance Agent or Direct Operation Appointment

Use this form to:

- Register counties of operation for a new appointment or direct operation.
- Add counties of operation to an existing appointment or direct operation.
- Remove counties of operation from an existing appointment or direct operation.
- End a title insurance agent or direct operation appointment.

You might have to pay a fee: If this is not for (1) a title insurance agent's first appointment, or (2) a direct operation's original registration with an Application for title insurance agent or direct operation license (Form FINT143), you must send \$16 to the Texas Department of Insurance. TDI does not give refunds or allow fee transfers.

► Answer the following questions:

Title insurance company

Company name _____

Company TDI license number _____

Title insurance agent or direct operation (if applicable)

Name _____

TDI license number (if they have one) _____

Firm ID number (if they have one) _____

The contact for this form

Contact name _____

Contact email _____

Contact phone number _____

► **Fill out this section to register counties of operation for a new appointment or direct operation**

- **If this is for a new appointment:** List all counties where the title insurance agent or direct operation may act for the title insurance company.
- **If this is for a new direct operation:** List all counties where the direct operation will write, sign, or deliver title insurance for the title insurance company.

List counties of operation you want to register for the new appointment or direction operation. If more space is needed, attach another page.

_____	_____	_____
_____	_____	_____

► **Fill out this section to add counties of operation to an existing appointment or direct operation**

- **If this is for an existing appointment:** List new counties where the title insurance agent or direct operation can act for the title insurance company.
- **If this is for an existing direct operation:** List new counties where the direct operation will write, sign, or deliver title insurance for the title insurance company.

List counties of operation you want to add to the existing appointment or direct operation. If more space is needed, attach another page.

_____	_____	_____
_____	_____	_____

► **Fill out this section to remove counties of operation from an existing appointment or direct operation**

- **If this is for an existing appointment:** List all counties where the title insurance agent or direct operation may no longer act for the title insurance company.
- **If this is for an existing direct operation:** List all counties where the direct operation will no longer write, sign, or deliver title insurance for the title insurance company.

List counties of operation you want to remove from the existing appointment or direct operation. If more space is needed, attach another page.

_____	_____	_____
_____	_____	_____

► **Fill out this section to end an appointment**

The title insurance agent or direct operation's appointment will end on _____
Date

Is this appointment ending for cause such as a misrepresentation or misappropriation? Yes No

📎📎 If you answered "Yes," attach a statement with details.

An appointed title insurance agent must follow Administrative Rule D-1 of the Title Insurance Basic Manual (www.tdi.texas.gov/title/titleman.html) if:

- A title insurance company is the only underwriter for the title insurance agent when the appointment ends.

and

- The title insurance agent is not seeking an appointment by another title insurance company.

► **As the contact for this form, I confirm that:**

- This form was filled out by a representative of the title insurance company.
- I am authorized to sign for the title insurance company.
- The title insurance agent or direct operation has a current Schedule D. (See Procedural Rule P-21 of the Title Insurance Basic Manual, www.tdi.texas.gov/title/titleman.html.)
- The title insurance agent or direct operation has a contract with the title insurance company, if applicable.
- The title insurance agent or direct operation has:
 - An abstract plant that meets the requirements of Procedural Rule P-12 of the Title Insurance Basic Manual (www.tdi.texas.gov/title/titleman.html) and Texas Insurance Code 2501.004.
 - or
 - A subscription agreement for each county in which the title insurance agent or direct operation is appointed to transact business for the title insurance company.

► **Sign here:**

I confirm that all statements, supporting forms, schedules, documents, and exhibits given for this license are true and correct.

Contact's signature

Date

**** You must get a notary public signature on this form. See next page. ****

► **Declaration:**

My name is _____, my date of birth is

_____, and my address is:

_____. I declare

(Street Address, City, State, Zip Code, and Country)

under penalty of perjury that the information on this form is true and correct.

Executed in _____ County, State of _____,

on _____

____ (date)

Declarant's Signature

► **~~To be filled out by a notary public:~~**

State of _____

County of _____

Before me, notary public, on this day personally appeared _____

Appointing official's name

~~known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.~~

(Personalized seal)

Notary public's signature

► **Return this form and any attachments**

Mail:

Texas Department of Insurance Title
Licensing, Mail Code CO - AAL PO
Box 12030
Austin, Texas 78711-2030

► **Questions?**

Use our online question form at www.tdi.texas.gov/agent/question.html, email:
TDI-TitleLicensing@tdi.texas.gov, or call: 512-676-6475.

► **Your rights:**

You can request information we have about you by emailing OpenRecords@tdi.texas.gov or writing to: Public Information Coordinator, Texas Department of Insurance, PO Box 12030 (mail code GC-ORO) Austin, Texas 78711-2030. You also have the right to ask that we fix information we have about you that is wrong. To ask for a correction, send (1) your name, mailing address, and your phone number, (2) details about what needs to be fixed, and (3) the reason or proof showing why the information is wrong. Send this by email to RecordCorrections@tdi.texas.gov or by mail to: Record Correction Request, Texas Department of Insurance, PO Box 12030 (mail code CO-AAL-CC), Austin, Texas 78711- 2030.

Title insurance agent or direct operation change request form

Use this document to report changes in: (1) license holder operations, including mergers, exchanges, and conversions; (2) ownership; (3) contact information or addresses; or (4) name or assumed name under Administrative Rules L-1.V.B.1 and L-3.V.B.1 of the Title Insurance Basic Manual (www.tdi.texas.gov/title/titleman.html).

TDI license number _____

Firm ID number _____

Name as listed on the license _____

► **Fill out this section if there has been a change in ownership:**

List the shareholders, members, or partners, and their percentage of ownership after the changes were made.

When adding the percentages of ownership for all owners, there must a total of 100 percent. If more space is needed, attach another page.

_____ Owner name	_____ % of ownership	_____ Owner name	_____ % of ownership
_____ Owner name	_____ % of ownership	_____ Owner name	_____ % of ownership
_____ Owner name	_____ % of ownership	_____ Owner name	_____ % of ownership
_____ Owner name	_____ % of ownership	_____ Owner name	_____ % of ownership

- 📎 📎 If any new shareholders, members, or partners are not individuals, attach an organizational chart showing ownership up to the ultimate controlling person.
- 📎 📎 For changes that require a notice be sent to the Secretary of State, such as mergers, acquisitions, and conversions, attach a copy of the updated Secretary of State documents showing the change.
- 📎 📎 For any new owners list above, attach a Title insurance licensing biographical information (Form FINT08) if they are one of the following individuals for your business type:
 - For a sole proprietorship, the sole proprietor and each designated on-site manager.
 - For a partnership, each designated on-site manager and partner who is in control.
 - For an entity, each officer, director, limited liability company manager, designated on-site manager, and person who is control of the entity.
 - Each controlling person of an entity or partnership who is in control of the licensed entity or partnership.

► **Fill out this section for a change in officers, directors, limited liability company managers, or designated on-site managers for partnerships, limited liability companies, and corporations:**

List all current officers, directors, limited liability company managers, and designated on-site managers after the changes were made. If more space is needed, attach another page.

_____	_____	_____	_____
Name	Position title	Name	Position title
_____	_____	_____	_____
Name	Position title	Name	Position title
_____	_____	_____	_____
Name	Position title	Name	Position title

📎 For any new officers or directors listed above, attach a Title insurance licensing biographical information (Form FINT08) if they are one of the following individuals for your business type:

- For a sole proprietorship, the sole proprietor and each designated on-site manager.
- For a partnership, each designated on-site manager and partner who is in control.
- For an entity, each officer, director, limited liability company manager, designated on-site manager, and person who is control of the entity.
- Each controlling person of an entity or partnership who is in control of the licensed entity or partnership.

► **Fill out all parts of this section if your contact information or address changed:**

Title insurance agents and direct operations must notify TDI within 30 days of an address change.

Mailing address

Street address, route, or PO Box _____

City _____ State _____ ZIP _____

Physical address

Street address, physical location, or route _____

City _____ State _____ ZIP _____

For a change in direct operation branch office locations, attach a current list of branch office physical and mailing addresses.

Contact name _____

Contact phone number (include area code) _____

Contact email _____

▶ **Fill out this section if the license holder name has changed:**

New name of license holder _____

If you filed the name change with the Secretary of State, attach a copy of the new Secretary of State Certificate of Filing.

A surety bond, letter of credit, or deposit must be updated to show the correct name.

▶ **Fill out this section if a new assumed name is being used:**

New assumed name of license holder _____

Attach a copy of the Secretary of State Assumed Name Certificate or a document showing the assumed name was filed with a county.

▶ **Fill out this section if an assumed name is no longer used:**

Assumed name that is no longer used _____

Attach documents showing proof that the assumed name is no longer used.

▶ **Sign here:**

The answers I gave on this form are true and correct:

Representative's signature

Date

▶ **Declaration:**

My name is _____, my date of birth is

_____, and my address is:

_____. I declare

(Street Address, City, State, Zip Code, and Country)

under penalty of perjury that the information on this form is true and correct.

Executed in _____ County, State of _____.

on _____

____ (date)

Declarant's Signature

► **To be filled out by a notary public:**

State of _____

County of _____

Before me, notary public, on this day personally appeared _____

Appointing official's name

~~known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.~~

~~(Personalized seal)~~

Notary public's signature

► **Return this form and any attachments:**

Email: TDI-TitleLicensing@tdi.texas.gov

Mail:

Texas Department of Insurance
Title Licensing CO - AAL
PO Box 12030
Austin, Texas 78711-2030

► **Contact us if you have questions:**

You can: (1) use our online question form at www.tdi.texas.gov/agent/question.html, (2) email TDI-TitleLicensing@tdi.texas.gov, (3) or call 512-676-6475.

► **Know your rights:**

Your rights: You can request information we have about you by emailing OpenRecords@tdi.texas.gov or writing to: Public Information Coordinator, Texas Department of Insurance, PO Box 12030 (mail code GC-ORO) Austin, Texas 78711-2030. You also have the right to ask that we fix information we have about you that is wrong. To ask for a correction, send (1) your name, mailing address, and your phone number, (2) details about what needs to be fixed, and (3) the reason or proof showing why the information is wrong. Send this by email to RecordCorrections@tdi.texas.gov or by mail to: Record Correction Request, Texas Department of Insurance, PO Box 12030 (mail code CO-AAL-CC), Austin, Texas 78711-2030.

Application for title insurance agent or direct operation license

► Answer the following:

Applicant name _____

Federal Tax Identification number _____

Mailing address

Street address, route, or PO Box _____

City _____ State _____ ZIP _____

Physical address

Street address, physical location, or route _____

City _____ State _____ ZIP _____

Applicant is organized as: (check one)

Sole proprietor

Partnership

Entity

The type of license being applied for: (check one)

Title insurance agent

Direct operation

Enter information about the accounting firm that will complete the annual escrow audit report of trust funds:

Accounting firm name _____

Accounting firm address _____

Accounting firm phone _____

The contact for this form is:

Contact name _____

Contact phone number (include area code) _____

Contact email _____

► Along with this form, send the following:

You can find forms at www.tdi.texas.gov/forms/title.html.

Application fee of \$50. This is nonrefundable and nontransferable.

Title insurance agent or direct operation appointment (Form FINT10).

- Escrow officer appointment (Form FINT09), unless the sole proprietor or a partner will perform the duties of an escrow officer for the applicant.
- Title insurance licensing biographical information (Form FINT08) for the following:
 - For a sole proprietorship, the sole proprietor and each designated on-site manager.
 - For a partnership, each designated on-site manager and partner who is in control.
 - For an entity, each officer, director, limited liability company manager, designated on-site manager, and person who is control of the entity.
 - Each controlling person of an entity or partnership who is in control of the entity or partnership applicant.
- Organizational chart that includes names and position titles for the applicant, each person that controls the applicant, and each person that controls an entity who is in control of the entity or partnership applicant.
 - The owners, shareholders, members, or partners and their percentage of ownership must be included with the organizational chart.
- Audited, reviewed, or compiled financial statement of the applicant: (1) prepared by an independent CPA, and (2) covering a period that ended no more than 60 days ago.
- A copy of the surety bond, letter of credit, or cash deposit showing proof of coverage for the title insurance agent or direct operation. The amount must be the greater of: (1) \$10,000, or (2) an amount equal to 10 percent of the gross premium written by the title insurance agent or direct operation according to the latest statistical report sent to the Texas Department of Insurance, but not to exceed \$100,000.
- A copy of the surety bond, letter of credit, or cash deposit showing proof of coverage for escrow officers. The amount of the bond or deposit, up to a maximum of \$50,000, is determined by multiplying the number of escrow officers employed by the title insurance agent or direct operation by:
 - \$5,000 for an application for each escrow officer who is a Texas resident (bona fide).
 - and
 - \$10,000 for an application for each escrow officer who is a resident (bona fide) of a state next to Texas.
- Title insurance agent's unencumbered assets certification (Form T-S1) and proof showing how the applicant meets the minimum capitalization requirements (<http://www.tdi.texas.gov/title/titem6s1.html>).

Send the following, if applicable:

- If applying for a direct operation license, attach a list of all branch office addresses and phone numbers.

- If using an assumed name, attach a copy of a valid Assumed Name Certificate filed with the Texas Secretary of State or county clerk’s office in the counties in which the title insurance agent or direct operation will operate.
- If applicant is formed as a partnership, send a copy of the partnership agreement.
- If applicant was formed at the Texas Secretary of State, send a copy of the Certificate of Formation and Certificate of Filing to do business, which was given by the Texas Secretary of State.

► Sign here:

I confirm that all statements, supporting forms, schedules, documents, and exhibits given for the application of this license are true and correct.

Signature of the applicant’s representative

Date

► Declaration:

My name is _____, my date of birth is _____

_____, and my address is:

_____. I declare
(Street Address, City, State, Zip Code, and Country)

under penalty of perjury that the information on this form is true and correct.

Executed in _____ County, State of _____,

on _____
____ (date)

Declarant’s Signature

► ~~To be filled out by a notary public:~~

State of _____

County of _____

Before me, notary public, on this day personally appeared _____
Appointing official's name

~~known to me to be the person whose name is subscribed to the foregoing document and,
being by me first duly sworn, declared that the statements therein contained are true and
correct.~~

(Personalized seal)

Notary public's signature

► **Return this form and any attachments one of these ways:**

Mail:

Texas Department of
Insurance Title Licensing,
Mail Code CO - AAL PO
Box 12030
Austin, Texas 78711-2030

► **Contact us if you have questions:**

You can: (1) use our online question form at www.tdi.texas.gov/agent/question.html,
(2) email TDI-TitleLicensing@tdi.texas.gov, or (3) call 512-676-6500.

► **Know your rights:**

Your rights: You can request information we have about you by emailing OpenRecords@tdi.texas.gov or writing to: Public Information Coordinator, Texas Department of Insurance, PO Box 12030 (mail code GC-ORO) Austin, Texas 78711-2030. You also have the right to ask that we fix information we have about you that is wrong. To ask for a correction, send (1) your name, mailing address, and your phone number, (2) details about what needs to be fixed, and (3) the reason or proof showing why the information is wrong. Send this by email to RecordCorrections@tdi.texas.gov or by mail to: Record Correction Request, Texas Department of Insurance, PO Box 12030 (mail code CO-AAL-CC), Austin, Texas 78711-2030.

**TDI
EXHIBIT 26
TEXAS TITLE INSURANCE STATISTICAL PLAN – REFINANCE DISCOUNTS**

CITATION

28 TAC § 9.401. Texas Title Insurance Statistical Plan.

ISSUE AND JUSTIFICATION

When an update to Rate Rule R-8 was adopted in 2018, it changed the transaction descriptions and corresponding rate rule sections that needed matching codes in the statistical manual. The codes are used to track the percentage of discount applied to policies based on the number of years issued after the original loan policy. The codes currently in the statistical plan were not properly updated. This will correct the transaction description to match those codes.

PROPOSED REVISIONS

Description of Transaction	Rate Rule	Code
<u>Refinance of Loan within One Year 50%</u>	<u>R-8(b)(1)</u>	<u>4001</u>
<u>Refinance of Loan within Two Years 50%</u>	<u>R-8(b)(1)</u>	<u>4002</u>
<u>Refinance of Loan within Three Years 50%</u>	<u>R-8(b)(1)</u>	<u>4003</u>
<u>Refinance of Loan within Four Years 50%</u>	<u>R-8(b)(1)</u>	<u>4004</u>
<u>Refinance of Loan within Five Years 25%</u>	<u>R-8(b)(2)</u>	<u>4005</u>
<u>Refinance of Loan within Six Years 25%</u>	<u>R-8(b)(2)</u>	<u>4006</u>
<u>Refinance of Loan within Seven Years 25%</u>	<u>R-8(b)(2)</u>	<u>4007</u>
<u>Refinance of Loan within Eight Years 25%</u>	<u>R-8(b)(2)</u>	<u>4008</u>

Description of Transaction	Rate Rule	Code
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Refinance of Loan within One Year 50%	R-8(a)	4001
Refinance of Loan within Two Years 50%	R-8(a)	4002
Refinance of Loan within Three Years 50%	R-8(b)	4003
Refinance of Loan within Four Years 50%	R-8(c)	4004
Refinance of Loan within Five Years 25%	R-8(d)	4005
Refinance of Loan within Six Years 25%	R-8(e)	4006
Refinance of Loan within Seven Years 25%	R-8(f)	4007
Refinance of Loan within Eight Years 25%	R-8(g)	4008

**TDI
EXHIBIT 27
TEXAS TITLE INSURANCE STATISTICAL PLAN -**

CITATION

28 TAC § 9.401 Texas Title Insurance Statistical Plan.

ISSUE AND JUSTIFICATION

TLTA has proposed certain rate changes and new endorsements in this proceeding. The statistical plan should be revised to allow TDI to collect experience data related to those items. TDI must collect data to fulfill its duty to fix and promulgate title insurance premium rates required by Insurance Code Chapter 2703, Subchapter D. The ability to collect experience data related to the rate changes and new endorsements will help TDI fulfill its duty.

PROPOSED REVISIONS

Rate changes that require new stat codes

- **Loan policy endorsements**
 - T-3; R-11c
 - Name: Down Date endorsement (Loan Policy)
 - Existing codes: 0100, 0920
 - Premium change: Non-residential changes from \$50 to \$100; no change to residential
 - TDI is proposing two separate codes to account for the residential and non-residential price differences.
 - TDI proposes to keep existing code 0100 and 0920 for the residential endorsements and add new codes 0101 and 0921 for the non-residential endorsements.

- **Owner policy endorsements**
 - T-3; R-15b
 - Name: Down Date and completion of improvements endorsement (owner policy)

- Existing code: 0940
- Premium change: Non-residential changes from \$50 to \$100; no change to residential premium (\$50)
- TDI is proposing two separate codes to account for the residential and non-residential price differences.
- TDI proposes to keep existing code 0940 for the residential endorsement and add new code 0941 for the non-residential endorsement.

New endorsements that require new stat codes

- **Energy Project Endorsements: Severable Improvements**
 - T-54; R-37(a)
 - Name: Energy Project: Severable Improvements - Leasehold/Easement **Owner's** Endorsement
 - Proposed New Code: 0831
 - T-54.1; R-37(b)
 - Name: Energy Project: Severable Improvements - Leasehold/Easement **Loan** Endorsement
 - Proposed New Code: 0832
 - T-55; R-37(c)
 - Name: Energy Project: Severable Improvements - Leasehold **Owner's** Endorsement
 - Proposed New Code: 0833
 - T-55.1; R-37(d)
 - Name: Energy Project: Severable Improvements - Leasehold **Loan** Endorsement
 - Proposed New Code: 0834
 - T-56; R-37(e)
 - Name: Energy Project: Severable Improvements - Fee Estate **Owner's** Endorsement
 - Proposed New Code: 0835
 - T-56.1; R-37(f)
 - Name: Energy Project: Severable Improvements - Fee Estate **Loan** Endorsement
 - Proposed New Code: 0836
- **Energy Project Endorsements: Minerals and Surface Damage Endorsement**
 - T-19.4; R-29.2

- Proposed New Codes
 - Code 0837 – Name: Energy Project - Minerals and Surface Damage Endorsement – Severable Improvements (Owner’s Policy)
 - Code 0838 – Name: Energy Project - Minerals and Surface Damage Endorsement – Severable Improvements (Loan Policy)