

No. 08-0160

**OFFICIAL ORDER
of the
COMMISSIONER OF INSURANCE
of the
STATE OF TEXAS
AUSTIN, TEXAS**

Date: FEB 25 2008

Subject Considered:

In the Matter of the 2006
TEXAS TITLE INSURANCE BIENNIAL RATE HEARING

CONSENT ORDER
SOAH DOCKET NO. 454-07-3748.G
TDI ENFORCEMENT FILE NO. 50552

General remarks and official action taken:

On this date came on for consideration by the Commissioner of Insurance, the matter of the 2006 Texas Title Insurance Biennial Rate Hearing. The parties to this hearing, by their respective signatures hereto, announce that they have compromised and settled all claims and agree to the entry of this Consent Order. The parties request the Commissioner of Insurance to informally dispose of this case pursuant to TEX. INS. CODE ANN. §§ 36.104, 82.055, 2703.205(e); TEX. GOV'T CODE § 2001.056; and 28 TEX. ADMIN. CODE § 1.47.

JURISDICTION

The Commissioner of Insurance has jurisdiction over this matter pursuant to the TEX. INS. CODE ANN. §§ 31.007, 2501.001 – 2501.007, 2551.003, and 2703.001 – 2703.208; 28 TEX. ADMIN. CODE § 9.1, and TEX. GOV'T CODE ANN. §§ 2001.051 – 2001.178.

WAIVER

The parties to the above referenced and docketed case acknowledge the existence of certain rights provided by the Texas Insurance Code and other applicable law, including the right to a public hearing, a proposal for decision, rehearing by the Commissioner of Insurance, notice of the right of judicial review, and judicial review. The parties to the above referenced and docketed case

waive all of these rights, as well as any other procedural rights that might otherwise apply, in consideration of the entry of this Consent Order.

AGREED FINDINGS OF FACT

The Commissioner of Insurance makes the following findings of fact:

1. The Commissioner of Insurance has the responsibility under the TEX. INS. CODE ANN. §§ 2703.003 and 2703.151 – 2703.153 to fix and promulgate the premium rates to be charged by title insurance companies and title insurance agents for policies of title insurance. The prescribed rates are to be reasonable to the public and nonconfiscatory as to the title insurance companies and title insurance agents.
2. The Texas Department of Insurance (“Department”) issued a Notice of Call for Issues Related to the 2006 Biennial Title Hearing which was published at 31 *TexReg* 3739 on May 5, 2006. Any association, any title insurance company, any title agent or any member of the public that wished to request that any matter or subject, in addition to the rates for title insurance, be considered at the biennial hearing was instructed to provide a detailed description of the matter or subject to the Department by June 5, 2006.
3. The Department issued a Notice of Re-Opened Call for Issues Related to the 2006 Biennial Title Hearing which was published at 32 *TexReg* 2705 on May 11, 2007. Any association, any title insurance company, any title agent or any member of the public that wished to request that any matter or subject, in addition to the rates for title insurance, be considered at the biennial hearing was instructed to provide a detailed description of the matter or subject to the Department by June 11, 2007.
4. Ultimately, seventeen matters with rate implications were submitted for consideration and were certified as matters having rate implications to be considered at the ratemaking phase of the biennial hearing.
5. The Texas Land Title Association (“TLTA”) submitted the following matters for consideration:
 - a. Agenda Item 2006-51 to adopt a Schedule of Basic Premium Rates for Title Insurance (Texas Title Insurance Premium Rates) for the next calendar year and subsequent years until changed by subsequent order of the Commissioner;
 - b. Agenda Item 2006-52 to adopt a new Texas Limited Coverage Residential Chain of Title Policy (Form T-____) to address fraudulent residential mortgage transactions;

- c. Agenda Item 2006-53 to adopt a new Procedural Rule (P-___) regarding the proposed Texas Limited Coverage Residential Chain of Title Policy (T-___) to require that the new policy only be issued by the agent in the county where the property is located;
- d. Agenda Item 2006-54 to adopt a new Rate Rule (R-___) to provide a fair and equitable charge for the proposed Texas Limited Coverage Residential Chain of Title Policy;
- e. Agenda Item 2006-55 to amend Rate Rule R-2 to address the situation in which a form of coverage may become effective before a ruling has been made regarding the proposed rate and to delete a portion of the rule that has been included in a new, proposed procedural rule, which is contingent upon adoption of the proposed procedural rule;
- f. Agenda Item 2006-56 to amend Rate Rule R-3 to move the provision for the Increased Value Endorsement to proposed amended Rate Rule R-15 and to delete portions of Rate Rule R-3 that have been included in a new, proposed procedural rule in Agenda Item 2006-8, which is contingent upon adoption of the proposed procedural rule;
- g. Agenda Item 2006-57 to amend Rate Rule R-4 to delete portions of this rule that have been included in a new, proposed procedural rule in Agenda Item 2006-8, which is contingent upon adoption of the proposed procedural rule, and to change the words "an adjustable rate mortgage" to "a variable rate mortgage" in keeping with the form name change in November 2005;
- h. Agenda Item 2006-58 to amend Rate Rule R-7 to clarify that each policy bears a separate premium and to assist the policy typist in associating a collected premium with a produced policy;
- i. Agenda Item 2006-59 to amend Rate Rule R-15 to incorporate certain portions excised from Rate Rule R-3 and making a direct reference to certain items as opposed to using cross-references;
- j. Agenda Item 2006-60 to amend Rate Rule R-18 to re-name the rate rule, to revise it for readability, and to add a provision concerning current refinancing practices in which two permanent loans are used to refinance a single construction loan; and,
- k. Agenda Item 2006-61 to amend Rate Rule R-29C to address the need for two separate Statistical Codes to delineate whether or not

an amendment of exception to area and boundaries is purchased with the policy.

6. Rattikin Title Company ("Rattikin") submitted the following matters for consideration:
 - a. Agenda Item 2006-62 to amend Rate Rule R-30 to allow the \$100 fee to be charged for each endorsement to a policy when the policy is issued with multiple Access Endorsements; and,
 - b. Agenda Item 2006-63 to amend Rate Rule R-32 to allow the \$100 fee to be charged for each endorsement to a policy when the policy is issued with multiple Contiguity Endorsements.

7. Sierra Title Group and Sierra Title Insurance Guaranty Company, Inc. (collectively, the "Sierra Group") submitted the following matters for consideration:
 - a. Agenda Item 2006-64 to adopt a new Procedural Rule (P-___) to ensure that title insurance companies do not receive more than 50% of their business through Affiliated Business Arrangements, to provide that 90% of the business of a title insurance company operating in connection with an Affiliated Business Arrangement must involve property located within the county in which the company is licensed, to provide notice requirements concerning Affiliated Business Arrangements, and to ensure that such arrangements are not coercive;
 - b. Agenda Item 2006-65 to amend Procedural Rule P-24 to provide restrictions on a title insurance company, agent, or direct operation regarding written agreements that deviate from the premium split set forth in P-24; and,
 - c. Agenda Item 2006-66 to amend Procedural Rule P-58 to provide that the required report on directly issued policies be compiled and submitted to the Department on a quarterly basis to ensure that P-24 violations are timely detected.

8. The Department submitted the following matters for consideration:
 - a. Agenda Item 2006-67 to amend Procedural Rule P-24 to set reasonable percentage rates for payment for services for furnishing title evidence and title examination and to remove language in the rule that often prevents urban and rural agents from receiving the same amount of premium for the same work.

9. The Department issued a Notice of Public Hearing on June 27, 2007, and it was published at 32 *TexReg* 4271 on July 6, 2007. Docket No. 2668, the rulemaking phase, was set for hearing on September 5, 2007, at 9:30 a.m., and Docket No. 2669, the ratemaking phase, was set for hearing on October 16, 2007, at 9:30 a.m. No party objected to this notice.
10. A pre-hearing conference was held on July 27, 2007 to hear motions for admissions of parties, removal of certain agenda items from the ratemaking phase of the hearing, and removal of the ratemaking phase to the State Office of Administrative Hearings ("SOAH").
11. The General Counsel and Chief Clerk for the Department, Gene Jarmon, issued Pre-hearing Order No. 1 on July 31, 2007. He ordered that Agenda Items 2006-64, 2006-65, and 2006-67 be considered at both the rulemaking and ratemaking phase of the hearing. He granted the motion to remove the case to SOAH and deferred rulings on all other matters to that Court.
12. On August 1, 2007 the case was docketed at SOAH. A pre-hearing conference in Docket No. 454-07-3748.G was scheduled for August 20, 2007. Outstanding matters were considered by the Honorable Administrative Law Judge Craig R. Bennett. He issued Order No. 2 Memorializing Pre-hearing Conference and Setting Procedural Schedule on the following day, August 21, 2007.
13. The following were admitted as parties to the proceeding pursuant to Order No. 2: the Department; Office of Public Insurance Counsel ("OPIC"); TLTA; Alamo Title Insurance, Chicago Title Insurance, Fidelity National Title Insurance Company, Nations Title Insurance of New York, Inc., Security Union Title Insurance Company, Ticor Title Insurance Company, and Ticor Title Insurance Company of Florida (collectively, "Fidelity"); Sierra Group; Independent Metropolitan Title Insurance Agents of Texas ("Metropolitan"); North American Title Company ("NATC"); Commerce Title Company ("Commerce Title"); Stewart Title Guaranty Company ("Stewart Title"); Texas Society of Professional Surveyors (TSPS); RESPRO Chapter of Texas, Inc. ("RESPRO"); Independent Title Agents of Texas ("ITAT"); Rattikin; Gary Lancaster; George Roberts, Jr.; Barbara Zubair; and, Michael Champion.
14. Order No. 2 also imposed a procedural schedule and established the date for a hearing on the merits. The deadlines were as follows:
 - a. Direct testimony was to be filed by January 2, 2008.
 - b. Rebuttal testimony and objections to direct testimony was to be filed by February 15, 2008.

- c. Redirect testimony and objections to rebuttal testimony was to be filed by February 26, 2008.
 - d. Discovery was to close on March 21, 2008.
 - e. Statements of positions and any objections to redirect testimony were due on March 24, 2008.
 - f. The hearing on the merits was scheduled for March 31, 2008.
15. Judge Bennett issued Order No. 4 on October 30, 2007 admitting the Texas Association of Builders as a party to the proceeding.
 16. Based on the initial available data, in December 2007, compared to December 2006, single family home sales dropped nearly 21%, single family building permits fell 37%, and the number of homes listed for sale rose 12.4%. This and other statistics suggest uncertainty in the Texas real estate market and the American economy. Therefore, the parties agree that making no change to the prescribed rates for real property title insurance is reasonable to the public and nonconfiscatory as to title insurance companies and title insurance agents at this time.
 17. The Department agrees to promptly issue a Notice of Public Hearing in the matter of the 2008 Texas Title Insurance Biennial Hearing after July 1, 2008.
 18. Because the following matters only make non-substantive changes to the rules and regulations governing the business of title insurance, the parties agree that Agenda Items 2006-55, 2006-56, 2006-57, 2006-58, 2006-59, 2006-60, and 2006-61 should be adopted by the Commissioner of Insurance. Agenda Items 2006-55 should only be adopted if Agenda Item 2006-7, as proposed on December 21, 2007 in 32 *TexReg* 9523, is adopted. Agenda Items 2006-56 and 2006-57 should only be adopted if Agenda Item 2006-10, as proposed on December 21, 2007 in 32 *TexReg* 9523, is adopted. Agenda Item 2006-61 should only be adopted if Agenda Item 2006-50, as proposed on December 21, 2007 in 32 *TexReg* 9523, is not adopted.
 19. TLTA agrees to withdraw Agenda Items 2006-52, 2006-53, and 2006-54 from this docket.
 20. Rattikin agrees to withdraw Agenda Items 2006-62 and 2006-63 from this docket.

21. Because the matters have been addressed at the rulemaking phase of this hearing, the Sierra Group agrees to withdraw Agenda Items 2006-64 and 2006-65 from this docket. The Sierra Group also agrees to withdraw Agenda Item 2006-66 from this docket.
22. The Department agrees to withdraw Agenda Items 2006-67 from this docket.
23. Agenda Items 2006-52, 2006-53, 2006-54, 2006-62, 2006-63, 2006-64, 2006-65, 2006-66 and 2006-67 are withdrawn without prejudice and may be filed in accordance with subsequent Texas Title Insurance Biennial Rate Hearing proceedings.
24. This Consent Order, and the actions required hereby, is entered into in the nature of a compromise and settlement and in order to avoid the time, trouble, and expense to the parties of resolving this dispute through administrative or judicial proceedings.

CONCLUSIONS OF LAW

Based upon the foregoing findings of fact, the Commissioner of Insurance makes the following conclusions of law:

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to the TEX. INS. CODE ANN. §§ 31.007, 2501.001 – 2501.007, 2551.003, and 2703.001 – 2703.208; 28 TEX. ADMIN. CODE § 9.1, and TEX. GOV'T CODE ANN. §§ 2001.051 – 2001.178.
2. In accordance with TEX. INS. CODE ANN. § 2703.205(e), the ratemaking phase of the biennial hearing is to be conducted as a contested case in accordance with TEX. GOV'T CODE ANN., Chapter 2001. The Commissioner of Insurance has authority to informally dispose of a contested case, like this matter, as set forth herein under TEX. INS. CODE ANN. §§ 36.104 and 82.055; TEX. GOV'T CODE ANN. § 2001.056; and 28 TEX. ADMIN. CODE § 1.47.
3. Proper and timely notice of the hearing was given pursuant to the TEX. INS. CODE ANN. § 2703.203 and TEX. GOV'T CODE ANN. §§ 2001.051 and 2001.052.
4. The Commissioner of Insurance has the duty to fix and promulgate the premium rates to be charged by title insurance companies and title insurance agents pursuant to TEX. INS. CODE ANN. §§ 2703.001 – 2703.208.
5. The premium rates fixed and promulgated by the Commissioner of Insurance specified in the findings of fact in this order are reasonable to the

public and nonconfiscatory as to the title insurance companies and title insurance agents.

6. The fixing of rates in accordance with the findings of fact and conclusions of law in this order is in compliance with the provisions of the TEX. INS. CODE ANN. §§ 2703.001 – 2703.208.
7. The amendment and adoption of the rules, rates, and forms in accordance with the findings of fact and conclusions of law in this order are in compliance with the provisions of the TEX. INS. CODE ANN. §§ 2703.001 – 2703.208.

IT IS, THEREFORE, THE ORDER of the Commissioner of Insurance that there be no change in the Schedule of Basic Premium Rates for Title Insurance contained in the Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas at this time.

IT IS, THEREFORE, THE FURTHER ORDER of the Commissioner of Insurance that Rate Rules R-2, R-3, R-4, R-7, R-15, and R-18 and the Texas Title Insurance Statistical Plan be amended and that all of the said rate rules and amendments to the Texas Title Insurance Statistical Plan be adopted by reference as indicated in Appendix A attached hereto. These rate rules are adopted as part of the Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas, effective May 1, 2008.

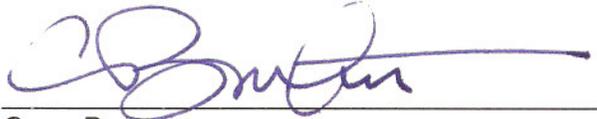
SIGNED and ENTERED February 25, 2008, at Austin, Texas.


MIKE GEESLIN
COMMISSIONER OF INSURANCE

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APPROVED AS TO FORM AND CONTENT:



Cass Burton
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Kergin B. Bedell
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ATTORNEYS FOR STAFF

AGREED, ACCEPTED AND EXECUTED on this 22nd day of February,
2008:

OFFICE OF PUBLIC INSURANCE COUNSEL

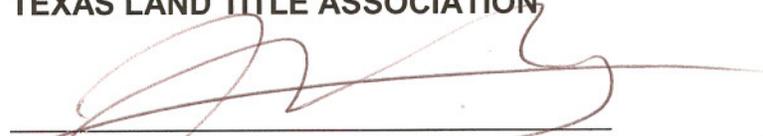


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INDEPENDENT METROPOLITAN TITLE INSURANCE AGENTS OF TEXAS

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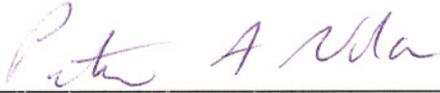
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THE FIDELITY COMPANIES



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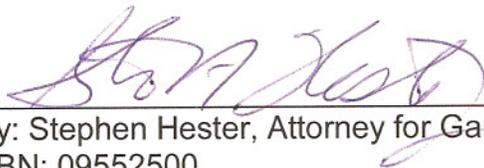
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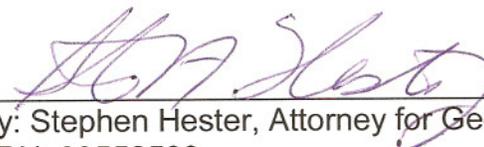
San Francisco, CA 94111

MR. GARY P. LANCASTER



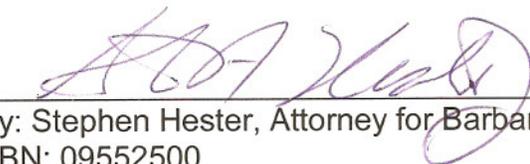
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MR. GEORGE ROBERT



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INDEPENDENT TITLE AGENTS OF TEXAS

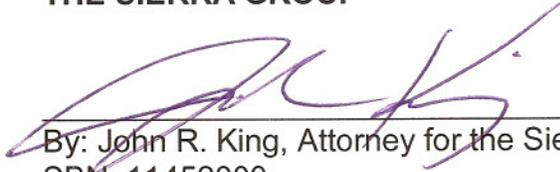


By: Bert V. Massey, II, Attorney for the Independent Title Agents of Texas
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THE SIERRA GROUP



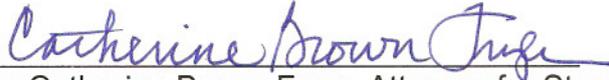
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STEWART TITLE GUARANTY COMPANY



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NORTH AMERICAN TITLE COMPANY



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David S. Morris
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COMMERCE TITLE COMPANY

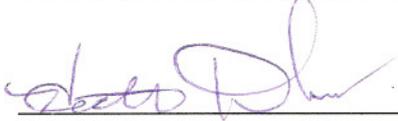


By: G. Roland Love, Attorney for Commerce Title Company
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TEXAS ASSOCIATION OF BUILDERS



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RATTIKIN TITLE COMPANY

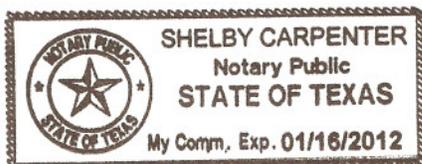
Jack Rattikin III

By: Jack Rattikin, III, Authorized Representative for Rattikin Title Company
201 Main Street, Suite 800
Fort Worth, Texas 76102

STATE OF Texas §
COUNTY OF TARRANT §
§

BEFORE ME, Shelby Carpenter, a notary public in and for the State of Texas, on this day personally appeared JACK RATTIKIN III, known to me ~~or proved to me~~ through _____ to be the individual whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he has read the terms and conditions contained within the above Consent Order, has knowingly and voluntarily entered into the foregoing Consent Order and is executing the same for the purposes and consideration therein expressed.

(NOTARY SEAL)



Shelby Carpenter
Notary Public, State of Texas

AGREED AND APPROVED AS TO FORM AND SUBSTANCE:

By: Jack Rattikin III Date: 2/20/08
Jack Rattikin

STATE OF Texas §
COUNTY OF TARRANT §
§

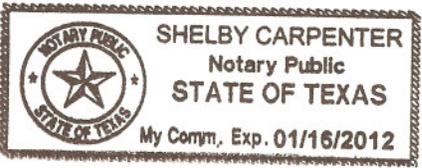
BEFORE ME, Shelby Carpenter, a notary public in and for the State of Texas, on this day personally appeared JACK Rattikin III, known to me ~~or proved to me by~~ to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is JACK RATTIKIN III I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I hold the office of PRESIDENT & CEO. I am the authorized representative of the Rattikin Title Company. I am duly authorized by said certificate holder to execute this statement.
3. Rattikin Title Company has knowingly and voluntarily entered into this Consent Order, and agrees with and consents to the issuance and service of the foregoing order."

Jack Rattikin III
Signature of Authorized Representative for Rattikin Title Company

Given under my hand and seal of office this 20th day of February, 2008.

(NOTARY SEAL)



Shelby Carpenter
Notary Public, State of Texas

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APPENDIX A

Item 2006 – 55

R-2. Rebates and Discounts—No Company shall charge for a policy in one transaction and withhold issuance of a policy thereon, nor shall any Company charge a premium for a policy in one transaction and apply the charged premium in a subsequent transaction, except when same covers identical land to that contained in the initial conveyance, and when same shall have been consented to by the parties to all conveyances involved, which consent may be provided for in the contract(s) on which the transaction is based, or may be given in a separate written instrument, or may be evidenced by the acceptance and signing of a closing statement clearly setting forth application of the premium charge as agreed by the parties to the transaction(s). The phrase “one transaction” as used in this rule may include more than one conveyance provided: (i) all grantors and grantees have acknowledged in writing the method of application for premium or premiums to be collected, and (ii) all instruments of conveyance relating to the subject property which is to be insured are unconditionally delivered simultaneously. Each company shall remit the portion of the premium due to the title Insurance Company no later than the 15th day of the second month following the month in which the premium was collected. The provisions of this rule shall also apply to any escrow officer who remits directly to a title insurance company. A company shall not issue or deliver a policy, binder or endorsement until a rate therefore has been adopted by the Commissioner. The Company must collect the full charge for such form, except as follows:

(a) When a Mortgagee Policy is issued in the manner provided in Rule P-8.b., the premium for the Mortgagee Policy may be paid in installments if the following conditions are met:

(1) The face amount of the policy shall be \$5,000,000 or more.

(2) The premium for the Mortgagee Policy shall be determined on the date of issuance thereof. As the loan which is the subject of the policy is disbursed, a fraction of the premium for the policy equal to the fraction of the loan then funded shall be paid and upon payment thereof the amount of the coverage of the Mortgagee Policy shall increase by the amount of such funding.

(3) The down date endorsement procedure described in rule P-9.b(4) must be used in connection with such Mortgagee Policy.

If any one of the above conditions is not met with respect to such Mortgagee Policy, the remaining premium due and owing therefore shall be immediately due and payable.

(b) When an Owner Policy meets the requirements of paragraph (a) above, and is issued in the manner provided in Rule P-8.a., and is issued simultaneously with a Mortgagee Policy as provided in Rule R-5.B., the amount

of coverage of said Owner Policy shall increase in an amount equal to, and contemporaneously with, the increase in the coverage of said Mortgagee Policy.

(c) When an Owner Policy is issued in the manner provided in Rule P-8.a., but is not issued simultaneously with a Mortgagee Policy as provided in Rule R-5.B., the premium for the Owner Policy may be paid in installments if the following conditions are met:

(1) The face amount of the policy shall be \$5,000,000 or more.

(2) The premium for the Owner Policy shall be determined on the date of issuance thereof. The premium for the Owner Policy paid upon issuance thereof shall be the portion of the total premium allocable to the liability under the Owner Policy as shown in the liability paragraph prescribed by Rule P-8.a.(1). As the contemplated improvements which are the subject of the Owner Policy are made, a fraction of the premium for the policy equal to the amount actually expended by the Insured in improvements since the last premium payment date shall be paid periodically and in no event later than completion thereof, and upon a payment of said premium fraction the amount of the coverage of the Owner Policy shall increase by the said amount expended in improvements.

(3) The down date endorsement procedure described in Rule P-9.a.(3) must be used in connection with such Owner Policy.

If any one of the above conditions is not met with respect to such Owner Policy, the remaining premium due and owing therefore shall be immediately due and payable.

(d) When a qualified intermediary under Internal Revenue Code § 1031 takes title on behalf of the ultimate owner (the person making the exchange and receiving the tax benefit), Schedule A of the policy should be prepared as set out in Procedural Rule P-63.

An issued policy should not be altered or endorsed after the deed from the intermediary to the ultimate owner, to change the insured to reflect the name of the ultimate owner. This Rate Rule R-2 strictly prohibits passing through the title insurance premium on multiple conveyances unless proper disclosure is made and the deeds to all conveyances are delivered to the title or closing agent simultaneously and without condition. However, if title coverage is issued as outlined in Procedural Rule P-63, the provisions of R-2 as to the pass through premium are not applicable because the policy is issued in the transaction in which the premium was collected.

ADOPTED

Item 2006 – 56

R-3. Owner's Policy—

Improvements Subsequently Added – If improvements are subsequently added, a new Owner's Policy may be issued in the aggregate amount of the original Owner's Policy or Policies, plus the cost of improvements, as provided in Rule P-66.

- 1) If a single original Owner's Policy was issued, the premium for the new policy shall be the Basic Rate less the premium which was paid for the surrendered, original policy.
- 2) If multiple original Owner's Policies were issued, the premium for the new policy shall be at the Basic Rate less the currently promulgated Basic Rate for the aggregate of the surrendered original policies.

ADOPTED

Item 2006 – 57

R-4. Mortgagee Policy—When a previously issued mortgagee policy insuring a variable rate mortgage is reissued (or endorsed), effective as of the date of the original Mortgagee Policy, increasing the face amount of the Mortgagee Policy from the original principal amount of the loan to an amount not to exceed one hundred twenty-five percent (125%) of the original principal amount the additional premium is calculated as follows:

- a. The premium on the increased Policy Amount calculated at the Basic Rate (existing on the date of the original Mortgagee Policy), but less the greater of the amount of the premium previously charged for: (i) the original Mortgagee Policy, or (ii) the Owner Policy.
- b. If such original Mortgagee Policy was issued as a simultaneous issue, no credit shall be given for the simultaneous issue premium charge.

ADOPTED

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R-7. Mortgage Policies Covering First and Subordinate Liens Issued

Simultaneously—When a Mortgage Policy is issued on a First Lien, and other policy(ies) is issued on Subordinate Lien(s), created in the same transaction, covering the same land or a portion thereof, the premium for the First Lien policy shall be computed on the total of the combined liens; the premium for each Subordinate Lien policy shall be \$5.00.

ADOPTED

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R-15. Owner Policy Endorsement—

- a. **Increased Value** – When requested by the Insured, and upon compliance with Rule P-9.a.(2), endorsement form T-34 shall be attached to the Owner Policy upon payment of a premium for such endorsement which shall be the Basic Rate computed on the new amount less the premium paid for the Owner Policy and any form T-34 endorsements previously attached thereto, but in no event less than the then applicable minimum policy Basic Premium Rate.
- b. **Increase in Coverage During Construction** – A premium of \$50.00 shall be charged for each T-3 Endorsement issued according to Instruction VIII, as provided in Rule P-9.a.(3).
- c. **Manufactured Housing Unit** – A premium of \$50.00 shall be charged for each T-31 or T-31.1 Endorsement issued, as provided in Rule P-9.a.(4).

ADOPTED

Item 2006 – 60**R-18. Refinance of Construction Loan—**

- A. When a Mortgagee Policy has been issued insuring the lien of a construction loan to be fully taken up, renewed, extended or satisfied by a new loan, the premium on the Mortgagee Policy insuring the lien of the new loan shall be at the currently promulgated minimum Basic Premium Rate;
- B. Provided however, if the Mortgagee Policy insuring the lien of the new loan is in an amount in excess of the amount of the Mortgagee Policy insuring the lien of the construction loan, the premium shall be equal to the greater of
1. The currently promulgated minimum Basic Premium Rate, or
 2. The excess of the currently promulgated Basic Premium Rate on the amount of the Mortgagee Policy insuring the lien of the new loan less the currently promulgated Basic Premium Rate on the amount of the Mortgagee Policy insuring the lien of the construction loan.
- C. On Mortgagee Policies issued on multiple loans to fully take up, renew, and extend or satisfy a mortgage securing a construction loan insured by a single Mortgagee Policy, the new policies being in the amount of the new mortgages, the premium for the larger Mortgagee Policy shall be as set out in section A or B of this rule, using the total of the new mortgages as the amount on which to calculate the premium. The additional policy(ies) shall be issued at the minimum Basic Premium Rate.

ADOPTED

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TABLE 4

Standard Endorsement Codes for Texas Operations

Endorsements which do not affect amount of Liability stated in Policy

Restrictions, Encroachments, Minerals Endorsement-Owners Policy (T-19.1)
for a single issue policy and an amendment of exception to area and boundaries purchased R-29C 0888

Restrictions, Encroachments, Minerals Endorsement-Owners Policy (T-19.1)
for a single issue policy and no amendment of exception to area and boundaries purchased R-29C 0889

ADOPTED