

Insuring Forms and Associated Rules New and Revised for 2014

Presented by
Denise S. Werst and Teresa Frost



National Investors Title Insurance Company

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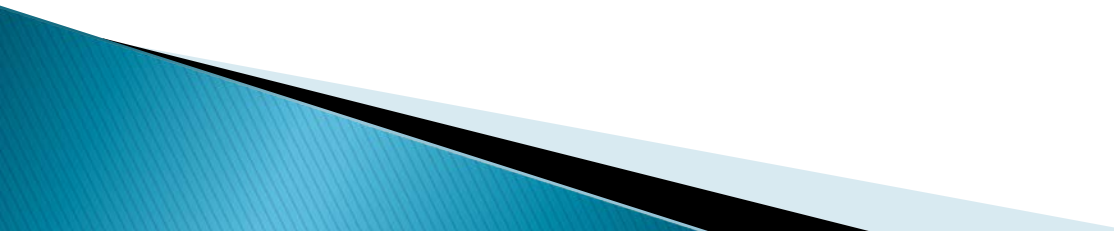
Introduction

- ▶ **New Forms – no rate rule yet**
 - T-36.1 EPL – Commercial
 - T-54 Severable Improvements
- ▶ **Revised Rate Rule**
 - T-25.1 Contiguity Endorsement now available
- ▶ **Substantial changes – Restrictions, Encroachments & Minerals Endorsements**
 - T-19
 - T-19.1
- ▶ **Optional language – new**
 - T-16 Aggregation
 - T-26 Additional Insured
- ▶ **Revised Instructions – clarify T-3**
 - Assignment of Lien
 - Completion of Improvements


Forms

- ▶ **Housekeeping changes**
 - Correct typos
 - Correct formatting
 - Change Owner to Owner's
 - Change Mortgagee to Loan
- ▶ **Statutory reference updates**
- ▶ **Delete unnecessary language**
- ▶ **Addition of Creditor's Rights exclusion**

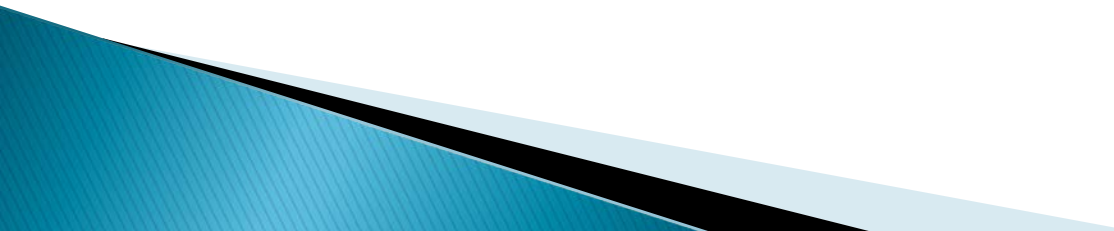
Form T-36.1 (new)

- ▶ Commercial Environmental Protection Lien Endorsement
 - ▶ ALTA Endorsement 8.2-06
 - ▶ Can not issue until rate/procedural rules adopted
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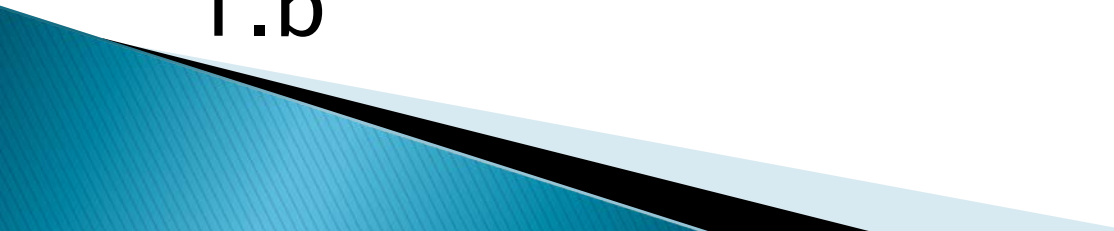
Form T-54 (new)

- ▶ Severable Improvements Endorsement
 - ▶ Used when item's status as real or personal property is disputed
 - ▶ Affects measure of damages available
 - ▶ P-72 (new)
 - ▶ Can not issue until rate rule adopted
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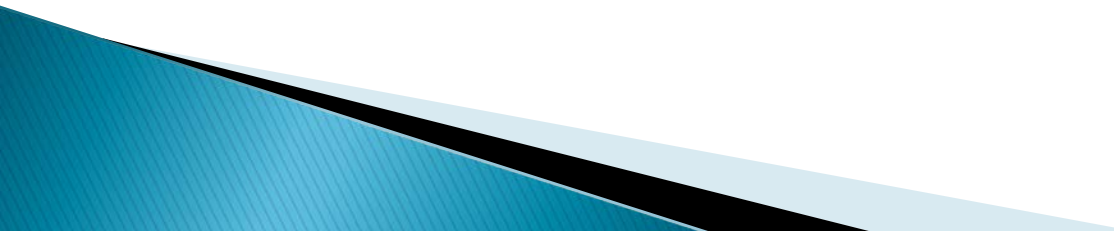
Form T-25.1 – Contiguity

- ▶ Rate Rule R-32 amended to include T-25 and T-25.1
 - ▶ Can be issued effective January 3, 2014
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Form T-19 – Substantial changes

- ▶ Restrictions, Encroachments, Minerals endorsement (LTP)
 - ▶ Ensures that a recorded document clearly identifies terms of CC&Rs
 - ▶ Separately insures against loss of lien priority or loss of title because of a CCR provision in paragraph 2
 - ▶ Insures against current violations in 1.b
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Form T-19.1 Substantial changes

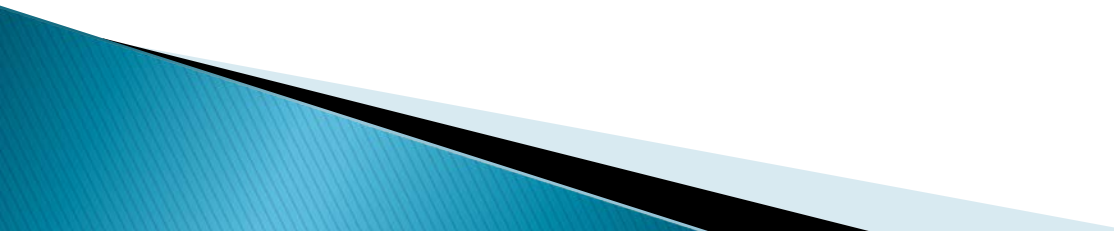
- ▶ Restrictions, Encroachments, Minerals Endorsement (OTP)
 - ▶ Ensures that a recorded document clearly identifies terms of CC&Rs
 - ▶ New paragraph 3.a separately insures against CCR violations
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Form T-26 Additional Insured

- ▶ Amended form
- ▶ Amended P-57
- ▶ Allows optional coverage for LLCs
- ▶ Fairway Dev. Co. v. Title Ins. Co. of Minn., 621 F. Supp. 120 (N.D. Ohio 1985)

Form T-16 Aggregation

- ▶ Amended form
 - ▶ Conforms language to ALTA 12-06
 - ▶ Provides optional language to lower limit of liability for policy in identified states
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Form T-3

- ▶ T-3 Instructions Amended
- ▶ Completion of Improvements
- ▶ Provides promulgated language
 - To add exceptions for survey matters
 - Delete T-19 and/or T-19.1 coverage

Form T-3

- ▶ T-3 Instructions Amended
- ▶ Assignment of Lien
 - Adds creditors rights exclusion language
 - adds language about endorsement of note or electronic transfer

Forms, continued

- ▶ Form T-11 USA
 - Amended to add creditors rights exclusion
- ▶ Form T-38
 - Amended to add creditors rights exclusion

Statutory Conformity

Abstract Plant Requirements

- ▶ Amended Form T-57
- ▶ Amended P-1, and P-12
- ▶ Title plant and evidence
 - Replace 25 years with “covering a period beginning no later than January 1, 1979”

Statutory Conformity – Rules

- ▶ R-36 repealed
 - Conformity with HB 2408 – prohibits premium credit for minerals 1-1-12
- ▶ P-5.1 and P-50.1 amended
 - Regarding exception or exclusion regarding minerals
 - Issuing T-19.2 and T-19.3 is optional, not mandatory
- ▶ R-29.1
 - T-19.2 & T-19.3 issued with LTP – \$0.00 premium

Statutory Conformity – Rules

- ▶ P-1, Amended
 - Affidavit in Lieu of Release is not a violation of “insuring around”
- ▶ P-28, Amended
 - 1 hour of CE for EO must be Ethics
 - Transcript for CE hours
 - Professional Training Program
 - Required prior to licensing


Statutory Conformity – Rules

- ▶ P-58 Report on Directly Issued Policies (HOIs)
 - Amended to include “multi-county” as status
- ▶ MEAPIC #5
 - Allows pass through of charge for third party notary affiliated with title agent
- ▶ P-1.w. definition of “premium”
 - Correct typo

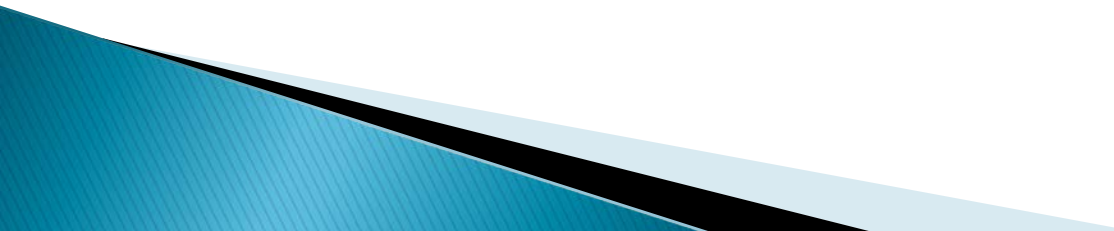
Forms – Housekeeping Changes

- ▶ T-1 correct margins & conform language
- ▶ T-1 R conform language
- ▶ T-2 correct margins
- ▶ T-2R incorporate previous changes implemented by Agenda Item 2008-40 and correct references
- ▶ T-4, T-4R, and T-5
 - Conform language to ALTA forms


Forms – Housekeeping Changes

- ▶ T-14 conform language
 - ▶ T-31 update language, references
 - ▶ T-42 and T-42.1 conform language
 - ▶ T-43 conform language
 - ▶ T-46 conform language
 - ▶ T-48 modify signature lines
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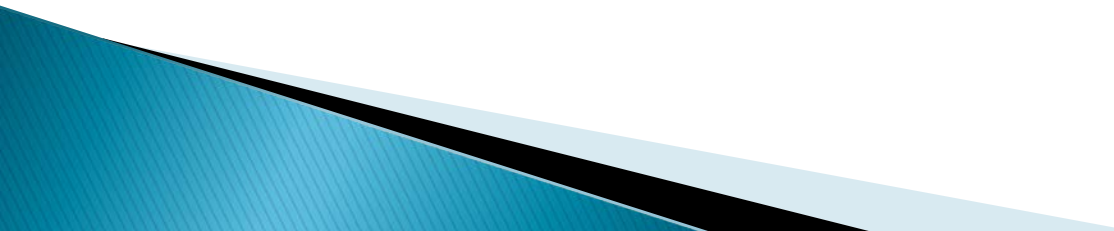
Forms – Housekeeping Changes

- ▶ T-53 correct margins, conform language
 - ▶ T-56 correct typos and conform language
 - ▶ T-98 correct typos
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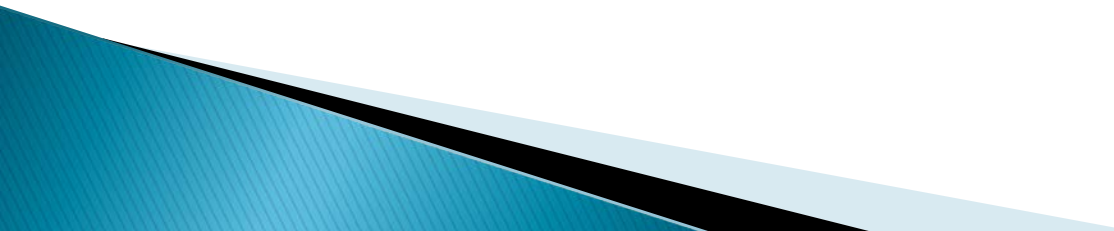
Rules – Housekeeping Changes

- ▶ P-70(b) correct typo
 - ▶ R-2 correct typo & conform with R-5
 - ▶ R-5 correct references
 - ▶ P-70(b) correct typo
 - ▶ R-2 correct typo & conform with R-5
 - ▶ R-5 correct references
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Rules – Housekeeping Changes

- ▶ R-10 rescinded
 - ▶ R-11 updates language
 - ▶ R-15 correct typo, conform language
 - ▶ R-17 conform language
 - ▶ R-20 conform to R-5 changes
 - ▶ R-21 update reference fm R-3 to P-66
 - ▶ R-22 conform language
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Rules – Housekeeping Changes

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Conclusion

- ▶ Changes effective January 3, 2014
 - ▶ Effective date of policy (recording date of documents) controls which version of the form to use
 - ▶ Two new forms can not be issued until rate rule adopted
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