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Texas vs Other State Title Customs, Requirements and ALTA Title Matters



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Introductions and Overview



State Similarities with Texas

- Regulated by Department of Insurance or its equivalent in each state
- Insures valid site control instrument
 - Vesting
 - Authority
 - Correct parties
- Free of title encumbrances except as listed in Schedule B
 - Insurance against search errors and undisclosed unrecorded instruments
- Affirmative coverage through endorsements
- Remedy – Indemnity coverage – notice of claim

3

State Variances from Texas – Premium

- Promulgated Title Insurance Rates
 - Texas Department of Insurance (TDI) promulgates rates mandated for all title insurance companies
 - Same in 2 other states (NM,FL)
- Filed Title Insurance Rates
 - Rating Bureau States – title insurance companies jointly file rates through a rating bureau with the department of insurance (DE, NJ, NY, NC, OH, PA, OR)
 - Filed Rate States – title insurance companies individually file rates with the department of insurance
 - Prior-approval rate system
 - File-and-use rate system
 - Use-and-file rate system

4

- Downward Deviation – some states permit downward deviation on a transaction by transaction basis or with a one-off transaction filing
 - Also, some states allow for downward deviation when coverage amount is over a certain threshold
- Variances – some states filed rates vary by zone or region (e.g., Spokane from the rest of WA) or issuer (e.g., in PA, title insurer vs approved attorney issuer)

■ Published Title Insurance Rates

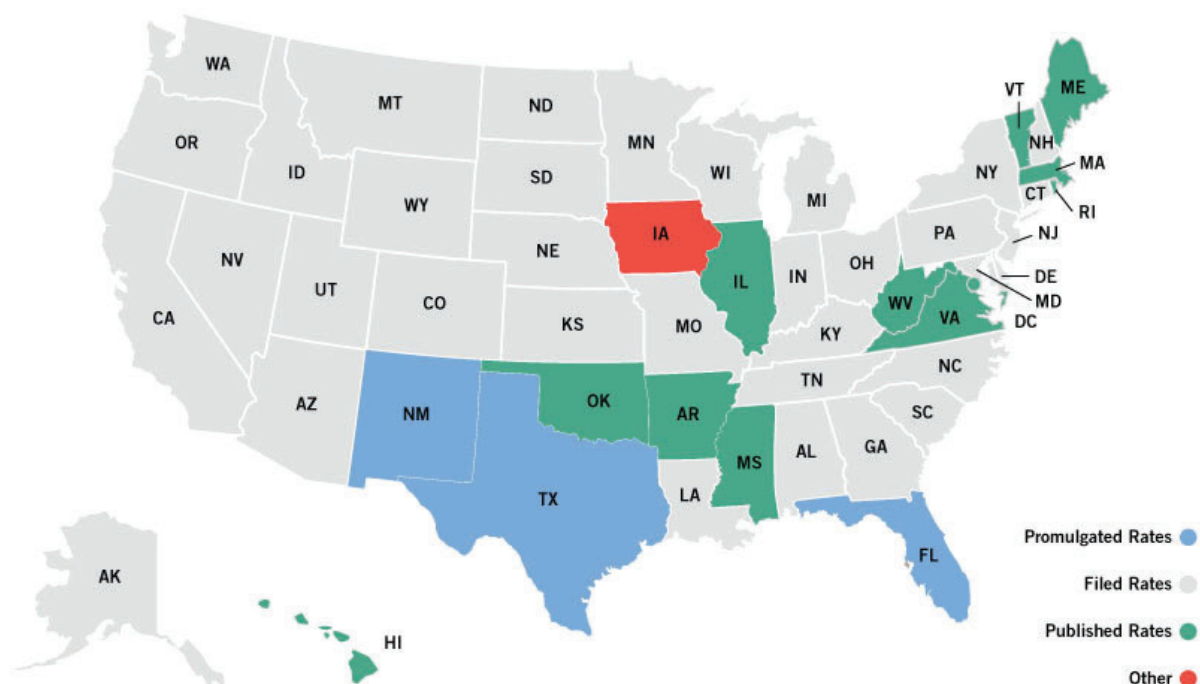
- Title companies publish rates
- Not filed with the department of insurance
- Rates are subject to negotiation

■ Iowa Exception

- Laws of Iowa prohibit the sale of title insurance in Iowa
- AG opinion however permits purchase of title insurance out of state for Iowa property
- Iowa Title Guaranty Certificate

5

State Title Insurance Practice - Premium



6

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Title search: Texas vs. Other State Title Customs, Requirements and ALTA Title Matters

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