

Nebraska Department of Insurance
Guidance Document
IGD - - C10

Title: Title Insurance Companies, Mortgage Policies, Fees

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The Nebraska Department of Insurance "NDOI" recommends distributing this guidance document to accounting, marketing, underwriting, and research departments of title insurance.

NDOI determined that under NEB.REV.STAT. §§44-101.01, 44-354, 44-1978 et seq., and 44-19,106 et seq., all commitments and/or policies issued in Nebraska must follow:

1. The title insurance commitment, and the title insurance policy must include the total fee amount.
2. The fee is an all-inclusive fee composed of the risk premium, searching charge, examination charge, and every other charge related to the issuance of the title insurance policy. This would include the agent's retained portion, which includes the charges for searching and determining insurability and other related charges. If the agent subcontracts searches or title opinions, the agent bears the cost of the agents' retained portion of the fee. If the agent performs closings or is requested by the purchaser to extend the abstract in addition to the title insurance, these non-related items can be charged for, but shown as a part of the policy fee.
3. Provisions must be made in the manual rules for issuing owners and mortgagee policies on non-commercial residential real property simultaneously as follows:
 - a. When a mortgagee policy is being issued on a mortgage executed by the purchaser, and not on a mortgage being assumed by the purchaser, with the standard exceptions deleted or modified, the owner's policy will be issued with the same exceptions being deleted or modified without additional charge for the deletion or modification.
 - b. The purchaser of real property who waived in writing the issuance of an owner's policy simultaneously with a mortgage policy, issued at the time he or she purchased the real property may, within six months of the date of the mortgage policy, request an owner's policy with the same effective date and pay a fee based on the simultaneous issue rate.

- c. Companies may establish reasonable underwriting standards for the deletion or modification of standard exceptions as required above.
4. Provision must be made in the manual rules for issuing an owner's policy to a purchaser of non-commercial residential real property with the standard exceptions deleted or modified, as would be required by the mortgagee, without additional charge. Companies may establish reasonable underwriting standards for deleting or modifying standard exceptions.
5. If an abstract surrender credit is available, insurance providers must disclose the credit to all potential buyers. NDOI recommends a statement on the commitment form as the best method.
6. An agent's manual must include a statement that the company will provide a copy of the title insurance statutes to the agent upon request.
7. An insurer may insure over defects without charge at the discretion of the company. If an insurer insures over a defect with an additional charge, the insurer must send two copies of the policy along with an explanation of the additional charge for approval within 45 days after writing the policy to the NDOI.
8. The standard exceptions and any special exceptions must be segregated and identified on the forms, including the commitment. The phrase "Special Exceptions" or a similar phrase must appear in boldface. Below the healing exceptions are those defects disclosed by a search of the title to this property for which no coverage is provided by this policy."
9. Title insurers must make every effort to ensure that the buyer has been advised that he or she can obtain an owner's policy. Strict compliance with NEB.REV.STAT. §44-1992 is mandatory.