

# STATE OF NEBRASKA

## DEPARTMENT OF INSURANCE

**Bruce R. Ramge**  
Director



**Dave Heineman**  
Governor

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CB-22 (Amended)

### BULLETIN

#### **SUBJECT: TITLE INSURANCE COMPANIES, MORTGAGE POLICIES, FEES**

Since this bulletin involves several areas of concern, it is recommended that copies be distributed to your accounting, marketing, underwriting and research departments.

After reviewing the forms and rules used by title insurance companies doing business in Nebraska, this Department has determined that pursuant to Neb.Rev.Stat. §§44-101.01, 44-354, 44-1978 et seq., and 44-19,106 et seq., the following will be required for all commitments and/or policies issued in Nebraska:

1. The total fee amount charged must be shown on the title insurance commitment and the title insurance policy.
2. In order to comply with the first item, it is necessary that companies and agents must understand that under Nebraska law, 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 agents retained portion, which includes the charges for searching and determining insurability and other related charges. In the event the agent subcontracts searches and/or title opinions, this cost is borne by the agent out of his 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 not shown as a part of the policy fee.
3. Provision shall 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 owners 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 owners policy simultaneously with a mortgage policy, issued at the time he purchased the real property may,

within six months of the date of the mortgage policy, request an owners 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 shall be made in the manual rules for issuing an owners policy to a purchaser of non-commercial residential real property with the standard exceptions deleted or modified, as would be required by a mortgagee, without additional charge. Companies may establish reasonable underwriting standards for the deletion or modification of standard exceptions.
5. If an abstract surrender credit is available, it must be disclosed to all potential buyers. A statement on the commitment form appears to be the best method.
6. There must be a statement in the agent's manual that the company will provide a copy of the title insurance statutes to the agent upon request.
7. Defects may be insured over without charge at the discretion of the company. However, if a defect is to be insured with an additional charge, two copies of the policy along with an explanation of the additional charge must, within 45 days after writing the policy, be sent to the Department of Insurance for approval.
8. The standard exceptions and any special exceptions must be segregated and identified on the forms, including the commitment. The phrase "Special Exceptions" or similar phrase shall appear in boldface. Below the heading "Special Exceptions" must appear in this wording or similar wording: "Special 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 insure that the buyer has been advised that he can obtain an owners policy. Strict compliance with the provisions of Neb.Rev.Stat. §44-1992 is mandatory.

It is the responsibility of the company to notify their agents of the subject matter of this bulletin and ensure compliance therewith.

  
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Bruce R. Ramge  
Director