



One Minute Memo[®]

No More Negotiated Title Insurance Rates in Georgia Effective June 1, 2009

Georgia is now a “file and use” state with respect to title insurance rates. Each title company must now file its published rates with the Georgia Insurance Commissioner, and title agents are not allowed to deviate from such rates when quoting premiums. The impetus for the change was the performance of a Market Conduct Exam of three major underwriters (Chicago Title Insurance Company, First American Title Insurance Company, and Stewart Title Guaranty Company) by the Georgia Department of Insurance (DOI). At the conclusion of the Market Conduct Exam, the DOI directed each underwriter to charge the rates that it had published for the State of Georgia. At that time, most, if not all, of the underwriters had only published residential rates up to a certain dollar amount. At the DOI’s direction, each company has now published new rates, including commercial rates. The DOI has asserted that the title insurance companies were always obligated to comply with these rules in accordance with O.C.G.A. 33-6-5(6)(B), which provides, in part, that “no person shall knowingly collect as premium or charge for insurance any sum in excess of or less than the premium or charge applicable to such insurance, which sum is specified in the policy in accordance with the applicable classifications and rates as filed with and approved by the Commissioner... .”

A chart showing the currently filed commercial rates for Fidelity National Title Insurance Company, Chicago Title Insurance Company, First American Title Insurance Company, and Stewart Title Guaranty Company is located below. At this time, a title company may change its rates whenever it chooses simply by re-filing them. The title companies are still working through the mechanics of this change, but it does not appear that simultaneous issue rates or endorsement costs (except with respect to premium bearing endorsements) will be impacted. With respect to endorsement costs, in particular, some title companies have chosen not to publish rates so that the cost can be more closely associated with the risk involved with a particular transaction. However, at least one title company (Chicago Title) is contemplating the publication of date down and modification endorsement rates.

The expectation is that competition will eventually result in fairly uniform rates for all title companies. The true effects of the rates changes on firm clients will vary, of course, according to how successful they/we have been in negotiating rates with insurance companies in the past.

For more information, please contact the Seyfarth attorney with whom you work or any [Real Estate](#) attorney on our website.

Owner/Loan Policy		Premium per \$1,000 liability			
From:	To:	Fidelity National Title Insurance Company	Chicago Title Insurance Company	First American Title Insurance Company	Stewart Title Guaranty Company
0	2,000,000	1.25	1.25	1.30	1.75
2,000,001	3,000,000	1.25	1.25	1.30	1.25
3,000,001	5,000,000	1.25	1.25	1.20	1.25
5,000,001	7,000,000	1.00	1.00	1.10	1.25
7,000,001	10,000,000	1.00	1.00	0.95	1.25
10,000,001	20,000,000	0.75	0.75	0.75	1.00
20,000,001	30,000,000	0.60	0.60	0.55	0.75
30,000,001	40,000,000	0.45	0.45	0.40	0.60
40,000,001	50,000,000	0.45	0.45	0.40	(ask for pricing)
50,000,001	75,000,000	0.41	0.41	(ask for pricing)	(ask for pricing)
75,000,001	99,999,999	0.32	0.32	(ask for pricing)	(ask for pricing)
Simultaneous Issue:		100.00	100.00	0.00	125.00



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