



## **UNDERWRITING BULLETIN**

**To:** All New Jersey Agents of WFG National Title Insurance Company

**From:** Underwriting Department

**Date:** March 23, 2015

**Bulletin No.:** NJ 2015-02

**Re:** Revisions to the NJ Manual of Rates and Charges

The New Jersey Land Title Insurance Rating Bureau has received approval for revisions to the New Jersey Manual of Rates and Charges effective April 1, 2015. Attached you will find an updated copy of the [WFG New Jersey Rates](#) manual. **The changes are applicable to orders received on or after that date.**

### **The changes:**

- **Revise the definitions of “settlement charge” and associated terms such as “settlement with disbursement” and “settlement without disbursement”, and**
- **Increase the permissible “additional charge” for settlements that are “greater than normal length.”**
- Newly added Article 6 Section 4.4 provides for an “itemization of charges” for a “settlement of greater than normal length.”

**Section 1 1.9** is revised to clarify that the term “settlement” is synonymous to the term “closing” and that the term “settlement” includes “closing- or settlement-related functions performed both before and after the occurrence of the closing or settlement itself.”

However, it excludes functions for which a charge is imposed under Section 7.1 “Service Charges”.

### **Settlements with Disbursements**

**Section 6.1** “Settlements with Disbursements” is revised to establish that the \$300 settlement charge for a “settlement with disbursements” is applicable when such settlement does not exceed 60 minutes. Prior to this revision the \$300 settlement charge was applicable to settlements that did not exceed 90 minutes.

**Section 6.23** “Settlements of Greater than Normal Length” is revised to provide that when a “settlement with disbursements” exceeds 60 minutes in length, an additional charge of \$100.00 (formerly \$25.00) is imposed for each additional hour (or fraction thereof) in excess of the initial 60-minute period.

### **Settlements without Disbursements**

**Section 6.3** Settlements without Disbursements” is revised to establish that the \$150 settlement charge for a “settlement without disbursements” is applicable when such settlement does not exceed 60 minutes. Prior to this revision the \$150 settlement charge was applicable to settlements that did not exceed 90 minutes.

**Section 6.4.3** “Settlements of Greater than Normal Length” is revised to provide that when a “settlement without disbursements” exceeds 60 minutes in length, an additional charge of **\$50.00** (formerly \$25.00) is imposed for each additional hour (or fraction thereof) in excess of the initial 60-minute period.

### **New Sections**

**Example 6.2.3** has been added to the **Appendix** of the Rate Manual to illustrate how charges for settlements are to be computed.

#### **Example 6.2.3. Settlements of Greater Than Normal Length**

An agent conducts a settlement, spending one hour at the settlement table, which is preceded by one hour spent performing settlement-related functions. The total settlement charge is \$400.00, computed as follows: \$300.00 for the time spent at the settlement table (in accordance with Section 6.1), and \$100.00 for the settlement-related functions performed before the occurrence of the settlement (in accordance with Section 6.2.3).

**Section 6.4.4** has been added to assure itemization of time expended.

#### **Section 6.4.4 Settlements of Greater than Normal Length: Itemization of Charges.**

If the insurer or agent conducts a settlement of greater than normal length, whether the same occurs with or without disbursements, the insurer or agent shall provide the applicant, upon request, with an itemization of the time expended by the insurer or agent in connection therewith, specifically setting forth the settlement-related functions performed before and after the occurrence of the closing or settlement itself.

**As the result of the revisions to the “settlement charge” there are 2 Manual changes concerning the “Right to Impose Special Charges.”**

**Revision to Section 3.1.5(c)** “Right to Impose Special Charges” which provides the right to impose an additional charge for an unusually long or complex settlement is amended to reflect that the revised definition of Settlement Charge in Section 1.9 now expressly includes pre-settlement and post-settlement-related functions.

**Form NJRB 6-03** “Consent to Special Rate or Change Pursuant to NJLTIRB Rate Manual Sec.3.1.5” is revised. This is the form that had been approved for use when a special charge is imposed for unusual risks, or extraordinary search and exam or an unusually long or complex settlement. The revision adds extensive pre-settlement and post-settlement related functions.

**NOTE:** This Bulletin should not be interpreted as reflecting negatively upon the character of an individual or entity and is for the sole purpose of establishing underwriting positions reflecting WFG National Title Insurance Company's best business judgment. The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company and its agents. Disclosures to any party not described above are prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.