Texas Department of Insurance

Texas Title Insurance Agent Statistical Report
For the calendar year ended December 31, 1999

Title Agent Call System Manual
(TACS)

IMPORTANT:

YOU ARE ENCOURAGED TO INSTALL THE TITLE AGENT CALL SYSTEM (TACS) ON YOUR COMPUTER UPON RECEIPT TO ENSURE THAT THE PROGRAM WILL RUN ON YOUR SYSTEM. IF YOU RECEIVE ERROR MESSAGES WHILE INSTALLING TACS PLEASE NOTIFY MICHAEL DAVIS AT (512) 322-5029 SO THAT WE MAY DETERMINE IF THE ERROR MESSAGES WARRANT THE ISSUANCE OF NEW DISKETTES OR CD.

For inquiries regarding the Title Data Call,
contact Data Services at (512)475-1878

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> **The Texas Title Insurance Agent Statistical Report must be completed by <u>all</u> agencies, whether independent, affiliated, or direct operation.**
> (*Texas Insurance Code, Article 9.07 (B)*)

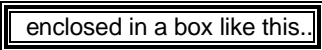♦   **Denotes a substantive revision has been made to that portion of the report.**

This manual will assist you in completing the Texas Title Insurance Agent Statistical Report using the Texas Department of Insurance's Title Agent Call System (TACS) or **hard copy**. Use the enclosed diskettes or CD to load the MS Access application (see Start-up Instructions on page 4). You will complete the supporting documentation, Forms B through L, first so the report information can be automatically transferred to Form A. You will then enter the remaining details of Form A. When you have completed the data call, print a copy of the data call for your files then go to the section titled "Make Diskette". The instructions will guide you in copying your data call onto a blank diskette. Once completed, submit the diskette along with the signed affidavit to the Texas Department of Insurance.

Using this Manual

Following is an orientation to this manual's structure:

- A table of contents followed by this Introduction

- General Instructions for completing the data call

- Start-Up Instructions for installing TDI's computer application onto your personal computer

- Form Instructions for each form within the Texas Title Insurance Agent Statistical Report

The following describes the page set-up of the Form instructions:

1. A picture of how the form will appear on the computer screen

2. General information for completing the forms -- | enclosed in a box like this.. |

3. Instructions for using the computer application

ENTER NEW CALL

General Instructions

1. The statistical report forms generally have separate columns for reporting title insurance, escrow, and non-policy abstract experience. These three types of operations are further defined as:

    a) *Title insurance* is the business of issuing title insurance commitments, policies, and forms.

    It includes all activities connected with title search, title examination, furnishing of title evidence, and closing. These activities are included when there is the expectation that policies or forms will be issued by any title insurance agent, direct operation, or underwriter--whether or not they are, in fact, ultimately issued.

    ♦ Direct operations**:** It does NOT include activities for underwriting, administration, and claim settlements.

    b) *Escrow* is the business that relates to the fiduciary function of receiving, accounting for and disbursing of funds held in escrow pertaining to a real estate transaction.

    If there is no expectation that policies or forms will be issued and none are, in fact, ultimately issued, it includes obtaining, signing, copying, certifying, or delivering documents related to the transaction.

    c) *Non-policy abstract* is the business that generates non-policy abstracts, abstract certificates, and non-policy-related abstract fees. It does not involve the expectation of issuance of any title insurance policy or form.

2. Income and expenses from each of the operations (title, escrow, and non-policy abstract) should be shown in their respective columns. If you can determine the exact expense for each operation, the expenses should be allocated in that manner, i.e. direct allocation. Expenses required to qualify for and maintain a direct operation or agent's license including non-refundable license fees, annual audits, and bonds for agents and direct operations should be included as direct expenses in the title insurance column.

    If you are unable to allocate directly, you may use another equitable and reasonable manner. One way is to allocate expenses in the same ratio that each individual operation's income bears to the total income for the applicable operations. Or depending upon the expense to be allocated, allocations may be made on the basis of square feet or number of employees devoted to the three operations. If expenses are associated with business activities other than the three operations, some portion of the expenses must also be allocated to these other activities. **Examples of allocation based upon income follow on next page.**

3. Income and/or expenses for any other business operations should NOT be included in this report. However, if the books and records which support amounts shown in this report include income and/or expenses for other business operations, the form entitled "Allocation Reconciliation Worksheet" must be completed and retained with the books and records used to complete this report.

    The Allocation Reconciliation Worksheet is NOT to be submitted with the statistical report. It must be maintained by your agency and be available at all times for examination by Texas Department of Insurance personnel. The worksheet is only available in hard copy form.

4. Underlying data, individual source documents and other information utilized in the development of your call response must be maintained in your records for a minimum of five years after the submission due date.

GENERAL INSTRUCTIONS

Case 1: You have a $750 expense to be allocated to all three operations.

Assume your total from each column on Form A, line A-14, is:

Title	$40,000
Escrow	$10,000
Non-Policy Abstract	$25,000
Total	$75,000

To find allocation percentages:

Title	$40,000/$75,000 = 53%
Escrow	$10,000/$75,000 = 13%
Non-Policy Abstract	$25,000/$75,000 = 33%

Allocation amounts are then determined:

Title	$750 x .53 = $398
Escrow	$750 x .13 = $ 98
Non-Policy Abstract	$750 x .33 = $248
	$744

The calculations produce a rounding difference of $6 ($750 - $744 = $6). Simply adjust your figures to make up the $6 difference.

Title	$400
Escrow	$100
Non-Policy Abstract	$250
	$750

Case 2: You have a $900 expense to be allocated between only Title and Non-Policy Abstract.

Again, assume your total from each column on Form A, line A-14, is:

Title	$40,000
Escrow	$10,000
Non-Policy Abstract	$25,000
Total	$75,000

Now, add amounts for the two operations involved in this allocation:

Title	$40,000
Non-Policy Abstract	$25,000
Total	$65,000

To find allocation percentages:

Title	$40,000/$65,000 = 62%
Non-Policy Abstract	$25,000/$65,000 = 38%

Allocation amounts are then determined:

Title	$900 x .62 = $558
Non-Policy Abstract	$900 x .38 = $342
	$900

Start-up Instructions

Using Diskettes or CD with Windows95

1. Close all open applications (GroupWise, Word, Excel, etc.).

2. **Click on Start** button then **click on Run**.

    A dialog box with the following message will display:

    "Type the name of a program, folder, or document, and Windows will open it for you."

3. Insert diskette number 1 in your A: drive. You should have five diskettes. If using a CD, insert in appropriate drive location.

4. At "Open:" , type   **a:\setup.exe** (if a: is not the drive designated as your 3½" floppy, type appropriate letter). If using a CD, type appropriate drive letter.

5. **Click on OK**.

    A dialog box with the following message will display: "Starting 1998 Title Call Setup." Then the following message will appear: "Welcome to the 1998 Title Call installation program. Setup cannot install system files or update shared files if they are in use. Before proceeding, we recommend that you close any applications you may be running. For information on closing applications without exiting Setup, choose Help."

6. **Click on OK**.

7. Another message will appear: "Setup will install 1998 Title Call in the following destination directory. To install to this directory, choose the OK button." Check the Directory field. It should display C:\Title. If so, **click on OK**. If not, you may need to change the directory. To install to a different directory, choose the change directory button.

8. Begin the installation by **clicking on the button** that has a computer picture on it, next to the text "Complete - Install all files for this application."

9. You should read "1998 Title Call" in the Program Group field. **Click on the Continue button**.

10. The next message to appear reads: "Setup is checking for necessary disk space." Then you will read: "Please insert the disk labeled: 'Disk 2' into drive A:". **Remove Disk 1 and replace with Disk 2**. If using CD, skip to step 12.

11. **Click on OK**. You will be prompted to insert each remaining diskette.

12. When setup is completed, the message reads: "1998 Title Call Setup was completed successfully".

13. **Click on OK**. You may remove disk 5 or CD from drive. To start the application, **double-click on the Title Call icon**.

    Once the setup is completed successfully, you will not use the five diskettes or CD again. Thus, you do not need to re-install the application for each company you own. See "Enter New Call" on page 6.

Using Diskettes or CD with Windows 3.1

1. Close all open applications (Word, Excel, etc.).

2. From Program Manager, **select the File menu** and **click on Run**.

3. Insert diskette number 1 in your 3½" drive. You should have five diskettes.

4. In the Command Line field type: **a:\setup.exe** (If a: is not the drive designated as your 3½" floppy, type appropriate letter.)

5. Follow steps 5 through 13 above.

The Title Call application will reside with all of your other Program applications.

M A I N   M E N U

Main Menu

The Main Menu displays automatically when you open the Title Call database. To enter information into the database, you will click on the **Enter New Call** button. If you need to edit or review the information you entered, click on the **View/Edit Call** button. The **Delete Calls** button allows you to delete a call. To copy your completed data call for the Texas Department of Insurance, click on the **Make Diskette** button. Clicking on the **Exit** button closes TACS and terminates the MS Access program. The TACS application resides with all of your other Program applications.

BUTTONS		DESCRIPTION
Enter New Call	-	Begin entry of data call information
View/Edit Call	-	View completed data call or edit existing information
Delete Calls	-	Delete the data call and start over
Make Diskette	-	Copy the completed data call onto diskette
Exit	-	Close the database and exit the MS Access application.

If at any time you wish to close the data call application and return later, exit the form you are in by **clicking on OK**. A message will appear prompting you to the next form. **Click on Cancel** and Form A displays. If you are already in Form A, **click on the Close** button. A dialog box appears. **Click on Cancel** to return to the Main Menu.

Enter New Call

If you own more than one company and are using the TACS application, complete one data call at a time. Once you have completed a company's data call, select **Enter New Call** from the Main Menu to begin data entry for the next company.

Agency Information

General Information:

AGENCY NAME: Use DBA if applicable.

AGENCY NUMBER: Found on mailing label of the envelope in which TDI sent this data call packet. If your Agency Number is a seven-digit number, **you must enter a zero before the number**.

INDEPENDENT: Title insurance agencies that are independently owned and write title insurance business for one or more underwriting companies.

AFFILIATED: Title insurance agencies that are owned 10% or more by an underwriting company or a member of a holding company structure that includes an underwriting company. See *Texas Insurance Code,* Article 21.49-1, Section 2.

DIRECT OPERATION: Defined in the *Texas Insurance Code,* Article 9.36A, as a title insurance company owning or leasing and operating an abstract plant or participating in a bona fide joint abstract plant operation in any county in this state and must be licensed by the Board for that county.

Instructions:

1.   From the Main Menu, **click on the Enter New Call** button. You can begin data entry.

2.   Type agency information in each blank. Use the [**TAB**] key to move cursor. The Fax No. is the only optional information on this screen. You cannot continue with the data call until all other information is entered.

 You will receive the following message if you do not enter an 8-digit agency number: "The value you entered isn't appropriate for the input mask '00000000'. Press Esc to cancel your changes.". Press the Esc key OR click on OK.

3.   Identify the agency type by **clicking in the circle** next to the appropriate description.

 Before proceeding, check to make sure the agency number and name are correct. These cannot be revised later. You must delete the call and enter a new call with the correct agency name/number.

4.   **Click on OK** to save and continue.

ENTER NEW CALL

A dialog box appears with the following message: ***Does this agency have any Title Premiums to report?*** Check Form B to respond to this question. If answer is yes, **click on Yes** button and Form B displays.

If **click on No,** the application will advance to the next prompt.

Title Premiums - Form B

FORM B - DISTRIBUTION OF TITLE POLICY PREMIUMS				⊠
AGENCY: AAAA				
YEAR: 1997 **AGENCY NUMBER:** 1234567				

[1]	[2]	[3]	[4]
NAME OF EACH UNDERWRITING COMPANY FOR WHICH THIS AGENCY CHARGED PREMUIMS	TITLE PREMIUMS CHARGED BY THIS AGENCY	TITLE PREMIUMS REMITTED OR OWED BY THIS AGENCY TO UNDERWRITERS	TITLE PREMIUMS RETAINED BY THIS AGENCY
▸	$0	$0	$0
TOTAL	$0	$0	$0

Percentage of premiums remitted (Column 3 divided by column 2)   0.00%

OK   Print

V E R T I C A L   S C R O L L   B A R

The Agency, Year, and Agency Number fields display the information you entered on the Agency Information screen.

General Information:

Title premiums (Form B, col 2, Form A, line A-1) - All premiums collected during the calendar year for policies, binders, and endorsements that have been or will be issued by your agency.

Remitted title premiums* (Form B, col 3, Form A, line A-2) - That portion of premiums collected during the calendar year and either remitted to or owed to title underwriting companies.

   Direct operations: That portion of gross premiums allocated to the underwriter function.

Retained title premiums (Form B, col 4, Form A, line A-3) - Your agency's portion of premiums collected during the calendar year. This is the amount of premium *before* splitting with attorneys or other title agents.

   Direct operations: That portion of gross premiums not allocated to the underwriter function.

* Note 1998 experience year split is 17.75/82.25.

Instructions:

1.   Type the underwriting company name; use the [**TAB**] key to move cursor and to move to next row. An error message will appear if company name is not entered. You must [**TAB**] to a blank row to total the form.

2.   To check your work, use the vertical scroll bar to scroll up or down through the records. Retype any incorrect amounts. To delete a row, **click on the arrow** to the left of the record and [**Delete**].

3.   To print Form B now, **click on Print**. **Click on OK** to save and continue.

ENTER NEW CALL

A dialog box appears with the following message: ***Did this agency receive any fees for examinations or furnishing title evidence?*** Check Form C to respond to this question. If answer is yes, **click on Yes** button and Form C screen displays.

If **click on No,** the application will advance to the next prompt.

Examination Fees - Form C

FORM C - FEES RECEIVED FOR TITLE EXAMINATION		☒
AGENCY: AAAA		
YEAR: 1997 AGENCY NUMBER: 1234567		

(1)	(2)	(3)
NAME FOR EACH TITLE AGENT OR TITLE INSURANCE UNDERWRITER FROM WHOM FEES WERE RECEIVED FOR TITLE EXAMINATION AND/OR FURNISHING TITLE EVIDENCE	CITY FOR EACH ENTITY LISTED IN COLUMN 1	TOTAL FEES RECEIVED FROM EACH ENTITY
		$0
TOTAL		$0

OK	Print

The Agency, Year, and Agency Number fields display the information you entered on the Agency Information screen.

General Information:

Fees received for title examination and furnishing title evidence (Form C, col 3, Form A, line A-4) - Report that portion of premiums received from other title insurance agents or underwriters for title examination and furnishing title evidence when the other agents or underwriters issued the policies.

Instructions:

1.   Enter information; use the [**TAB**] key to move cursor and to move to next row. An error message will appear if name and city are not entered. You must [**TAB**] to a blank row to total the form.

2.   To check your work, use the vertical scroll bar to scroll up or down through the records. Retype any incorrect amounts. To delete a row, **click on the arrow** to the left of the record and [**Delete**].

3.   To print Form C now, **click on Print**. **Click on OK** to save and continue.

A dialog box appears with the following message: ***Does this call have any closing fees received?*** Check Form D to respond to this question. If answer is yes, **click on Yes** button and Form D screen displays.

If **click on No,** the application will advance to the next prompt.

Fees Received for Closing Services - Form D

FORM D - FEES RECEIVED FOR CLOSING SERVICES

AGENCY: AAAA

YEAR: 1997   AGENCY NUMBER: 1234567

(1)	(2)	(3)
NAME FOR EACH TITLE AGENT OR TITLE INSURANCE UNDERWRITER FROM WHOM FEES WERE RECEIVED FOR CLOSING SERVICES	CITY FOR EACH ENTITY LISTED IN COLUMN 1	TOTAL FEES RECEIVED FROM EACH ENTITY (Whole Dollars Only)
		$0

| TOTAL | | $0 |

OK   Print

The Agency, Year, and Agency Number fields display the information you entered on the Agency Information screen.

General Information:

Fees received for closing (Form D, col 3, Form A, line A-5) - Report that portion of premiums received from other title insurance agents or underwriters for closing transactions when other agents or the underwriters issued the policies.

Instructions:

1. Enter information; use the [**TAB**] key to move cursor and to move to next row. An error message will appear if name and city are not entered. You must [**TAB**] to a blank row to total the form.

2. To check your work, use the vertical scroll bar to scroll up or down through the records. Retype any incorrect amounts. To delete a row, **click on the arrow** to the left of the record and [**Delete**].

3. To print Form D now, **click on Print**. **Click on OK** to save and continue.

A dialog box appears with the following message: ***Did this agency have any other income to be included on Form A, Line A13?***   Check Form E to respond to this question. If answer is yes, **click on Yes** button and Form E screen displays.

If **click on No** the application will advance to the next prompt.

ENTER NEW CALL

Other Income - Form E

The Agency, Year, and Agency Number fields display the information you entered on the Agency Information screen.

General Information:

Other income (Form E, col 2, 3, and 4, Form A, line A-13) - Gains or losses on sales include only that portion of proceeds from the sale of business assets that represents the gains or losses on the sale of those assets.

Title Insurance (column 2) - Other income belonging in this category includes, but is not limited to, tax refunds, plant/lease update fees, and copy charges.

Escrow (column 3) - Includes escrow fees or other fees that are not passed through to third-party vendors.

Non-Policy Abstract (column 4) - Includes all non-policy-related abstract fees. Does NOT include any premiums or escrow fees.

Instructions:

1.   Enter information; if losses, precede the amount with a minus (-) sign to show as negative income. Use the [**TAB**] key to move cursor and to move to next row. You must [**TAB**] to a blank row to total the form.

2.   If income was received by this agency other than the three types already listed, type the income description in blank space in column (1) then [**TAB**] to enter amount of income under the appropriate category. Do NOT show income items that are listed on Form A, lines A-1 through A-12.

3.   To check your work, use the vertical scroll bar to scroll up or down through the records. Retype any incorrect amounts. To delete a row, **click on the arrow** to the left of the record and [**Delete**].

4.   To print Form E now, **click on Print**. **Click on OK** to save and continue.

A dialog box appears with the following message: ***Did this agency pay fees for examinations or furnishing title evidence?*** Check Form F to respond to this question. If answer is yes, **click on Yes** button and Form F screen displays.
If **click on No,** the application will advance to the next prompt.

ENTER NEW CALL

Fees Paid for Title Examination and Furnishing Title Evidence - Form F

The Agency, Year, and Agency Number fields display the information you entered on the Agency Information screen.

General Information:

Fees paid for title examination and furnishing title evidence (Form F, col 3, and 4, Form A, lines B-3a and B-3b) - Report that portion of premiums paid to non-employees for title examination and furnishing title evidence when your agency issued the policies.

If the payment was made to an affiliate, indicate with an "X" in column 5 by clicking with your mouse. An affiliate is defined as a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the person specified. See *Texas Insurance Code,* Article 21.49-1, Section 2(a).

Instructions:

1. Enter information; use the [**TAB**] key to move cursor and to move to next row. An error message will appear if name and city are not entered. If this is an affiliate, be sure to **click in the box** in column 5 using the mouse. You must [**TAB**] to a blank row to total the form.

2. To check your work, use the vertical scroll bar to scroll up or down through the records. Retype any incorrect amounts. To delete a row, **click on the arrow** to the left of the record and [**Delete**].

3. To print Form F now, **click on Print. Click on OK** to save and continue.

A dialog box appears with the following message: ***Did this agency pay fees for closing services?*** Check Form G to respond to this question. If answer is yes, **click on Yes** button and Form G displays.

If **click on No,** the application will advance to the next prompt.

ENTER NEW CALL

Fees Paid for Closing Services - Form G

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FORM G - FEES PAID FOR CLOSING SERVICES                                    ⊠
    AGENCY: AAAA                                                            ▲
      YEAR:    1997    AGENCY NUMBER: 1234567
      ┌──────────────┬──────────────┬──────────────┬──────────────┬──────────┐
      │     (1)      │     (2)      │     (3)      │     (4)      │   (5)    │
      ├──────────────┼──────────────┼──────────────┼──────────────┼──────────┤
      │ NAME OF EACH │              │ TOTAL FEES   │              │          │
      │ TITLE        │              │ PAID TO:     │ TOTAL FEES   │          │
      │ INSURANCE    │              │ *OTHER       │ PAID TO:     │          │
      │ AGENT,       │              │  AGENTS      │ *ATTORNEYS   │          │
      │ UNDERWRITER, │              │ *DIRECT      │ *ANY OTHER   │ IS THIS  │
      │ ATTORNEY, OR │ CITY FOR     │  OPERATIONS  │  ENTITY      │ AN       │
      │ ANY OTHER    │ EACH ENTITY  │ *UNDERWRITERS│              │ AFFILIATE│
      │ ENTITY TO    │ LISTED IN    │              │              │    ?     │
      │ WHOM FEES    │ COLUMN 1     │              │              │          │
      │ WERE PAID    │              │              │              │          │
      │ FOR CLOSING  │              │              │              │          │
      │ SERVICES     │              │              │              │          │
    ▶ ├──────────────┼──────────────┼──────────────┼──────────────┼──────────┤
      │[            ]│[            ]│          $0 │          $0 │    □     │
      │              │              │              │              │          │
      │              │              │              │              │          │
      │              │              │              │              │          │
      ├──────────────┴──────────────┼──────────────┼──────────────┼──────────┤
      │         TOTAL               │          $0 │          $0 │          │
      │                                                                      │
      │         [    OK    ]        [   Print   ]                            │
      │                                                                      ▼ │
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The Agency, Year, and Agency Number fields display the information you entered on the Agency Information screen.

General Information:

Fees paid for closing (Form G, col 3, and 4, Form A lines B-4a and B-4b) - Report that portion of premiums paid to non-employees for closing transactions when your agency issued the policy.

If the payment was made to an affiliate, indicate with an "X" in column 5. An affiliate is defined as a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the person specified. See *Texas Insurance Code,* Article 21.49-1, Section 2(a).

Instructions:

1.   Enter information; use the [**TAB**] key to move cursor and to move to next row. An error message will appear if name and city are not entered. If affiliate, be sure to **click in the box** in column 5 using the mouse. You must [**TAB**] to a blank row to total the form.

2.   To check your work, use the vertical scroll bar to scroll up or down through the records. Retype any incorrect amounts. To delete a row, **click on the arrow** to the left of the record and [**Delete**].

3.   To print Form G now, **click on Print**. **Click on OK** to save and continue.

A dialog box appears with the following message: ***Did this agency pay any Director Fees?***   Check Form H to respond to this question. If answer is yes, **click on Yes** button and Form H screen displays.

If **click on No,** the application will advance to the next prompt.

ENTER NEW CALL

Recapitulation of Director Fees - Form H

The Agency, Year, and Agency Number fields display the information you entered on the Agency Information screen.

General Information:

Directors fees (Form H, col 3, 4, and 5, Form A, line B-21) - Includes all amounts paid to corporate directors. Does NOT include any amounts reported under Salaries on line B-1.

Instructions:

1.   Enter information; use the [**TAB**] key to move cursor and to move to next row. An error message will appear if name and position held are not entered. You must [**TAB**] to a blank row to total the form.

2.   If individual was an owner be sure to **click in the box** with your mouse button. If individual was in a position to refer title business, **click on down arrow** button and select appropriate response.

3.   To check your work, use the vertical scroll bar to scroll up or down through the records. Retype any incorrect amounts. To delete a row, **click on the arrow** to the left of the record and [**Delete**].

4.   To print Form H now, **click on Print**. **Click on OK** to save and continue.

A dialog box appears with the following message: *Did this agency have any losses or loss adjustment expenses?* Check Form I to respond to this question. If answer is yes, **click on Yes** button and Form I screen displays.

If **click on No,** the application will advance to the next prompt.

ENTER NEW CALL

Losses and Loss Adjustment Expenses - Form I

he Agency, Year, and Agency Number fields display the information you entered on the Agency Information screen.

General Information:

Losses (Form I, col. 2, 3, and 4, Form A line B24)

Escrow losses, restricted to the escrow column only, are payments made to or on behalf of others for errors in the closing of an escrow. These payments include, but are not limited to: mathematical errors, additional interest on payoffs, current taxes where not enough was collected at closing, missed invoices or other disbursements, incorrect prorations or bad checks.

Agent errors are payments made for errors in closing which could be covered under an insuring form and could be assumed by the agent. These payments include, but are not limited to: past taxes, missed liens requiring later payoffs, abstracting or examining errors, failure to follow the instructions of parties or lender, and failure to comply with a contract. If not satisfied by the agent and presented to the underwriter, these errors would create a loss covered by a policy or binder.

Deceptive Trade Practices Act (DTPA) and product liability losses are payments stemming from a lawsuit on these grounds. Where a lawsuit alleges both DTPA or product liability grounds and title defects, it is a closing error based on the title defect.

Loss adjustment expenses are payments made for legal costs, court costs, investigative costs, and other expenses to defend a loss not included in any other expense.

Affiliated agents and direct operations: Includes all losses that would be charged to an independent agent under identical circumstances.

Instructions:

1.   Enter information; use the [**TAB**] key to move cursor and to move to next row. You must [**TAB**] to a blank row to total the form.

2.   To check your work, use the vertical scroll bar to scroll up or down through the records. Retype any incorrect amounts. To delete a row, **click on the arrow** to the left of the record and [**Delete**].

3.   To print Form I now, **click on Print**. **Click on OK** to save and continue.

A dialog box appears with the following message: *Do you have 'other expenses' to be included on Form A, Line B-32?* Check Form J to respond to this question. If answer is yes, **click on Yes** button and Form J screen displays.

If **click on No**, the application will advance to the next prompt.

Other Expenses - Form J

The Agency, Year, and Agency Number fields display the information you entered on the Agency Information screen.

General Information:

<u>Other expenses</u> (Form J, col 2, 3, and 4, Form A, line B-32) - Includes any other necessary expense associated with the title insurance, escrow, or non-policy abstract business not otherwise noted or included in this report.

This category should not be a significant amount. If the amount exceeds 2% of total expenses (line B-32 ÷ line B-33), these expenses must be itemized here. Otherwise, you may enter "other" and show the total amount of other expenses.

Erroneous expenses often seen in this category: copy charges (B-17), taxes (B-13), legal fees (B-12), and dues (B-22).

Instructions:

1.   Enter information; use the [**TAB**] key to move cursor and to move to next row. You must [**TAB**] to a blank row to total the form.

2.   If agency had expenses other than the type listed, type the expense description then [**TAB**] to enter amount of expense under the appropriate category. Do NOT show expense items that are listed on Form A, lines B-1 through B-31.

3.   To check your work, use the vertical scroll bar to scroll up or down through the records. Retype any incorrect amounts. To delete a row, **click on the arrow** to the left of the record and [**Delete**].

4.   To print Form J now, **click on Print. Click on OK** to save and continue.

A dialog box appears with the following message: ***Would you like to enter Owner data at this time? Check Form K to respond to this question.*** If answer is yes, **click on Yes** button and Form K screen displays.

If **click on No,** the application will advance to the next prompt.

Identification of Owners - Form K

The Agency, Year, and Agency Number fields display the information you entered on the Agency Information screen.

General Information:

Response should match Schedule D on commitments. List each individual or entity holding directly or indirectly a 1% or greater ownership interest in the agency. Use the Codes at the bottom of the form to describe the individual or entity.

Instructions:

1.   Enter information; use the [**TAB**] key to move cursor and to move to next row.   An error message will appear if name is not entered and if percentage of agency owned is not greater than zero. You must [**TAB**] to a blank row to total the form.

2.   To select description of owner, **click on down arrow** button and select appropriate description.

3.   To check your work, use the vertical scroll bar to scroll up or down through the records. Retype any incorrect amounts. To delete a row, **click on the arrow** to the left of the record and [**Delete**].

4.   To print Form K now, **click on Print**. **Click on OK** to save and continue.

A dialog box appears with the following message: *Enter Premiums by County at this time?* **Check Form L to respond to this question.** If answer is yes, **click on Yes** button and the Form L screen displays.

If **click on No,** the application will advance to the next prompt.

ENTER NEW CALL

Title Insurance Premium by County - Form L

The Agency, Year, and Agency Number fields display the information you entered on the Agency Information screen.

General Information:

The total Title Premiums Charged should equal to amount entered in Form B. Refer to the list of Texas County names for entering this information.

Instructions:

1.   Type first few letters of the County name (the appropriate county will display) or, **click on down arrow** and scroll through list to select the county name. Use the [**TAB**] key to move cursor and to move to next row.   An error message will appear if county name is not entered. You must [**TAB]** to a blank row to total the form.

2.   To check your work, use the vertical scroll bar to scroll up or down through the records. Retype any incorrect amounts. To delete a row, **click on the arrow** to the left of the record and [**Delete**].

3.   To print Form L now, **click on Print**. **Click on OK** to save and continue.

4.   An error message will appear if 'Title Premiums Charged' does not match amount entered in Form B. The following message will display: Premiums (####) do not balance with Form B (####).

      You will need to go back later to review both Form L and Form B results to determine where the discrepancy exists. Use the vertical scroll bar to scroll through each record.

      A dialog box appears with the following message: ***Does this agency have additional income items not already posted on Form A, Line A6-12?*** If answer is yes, **click on Yes** button and the A: INCOME screen displays.

      If **click on No,** the application will advance to the next prompt.

ENTER NEW CALL

A :   INCOME

SECTION A: INCOME			☒
EXPERIENCE FOR TEXAS INSURANCE, ESCROW & NON-POLICY ABSTRACT BUSINESS			
"REPORT ALL AMOUNTS IN WHOLE DOLLARS ONLY"			
A. INCOME	**TITLE INSURANCE**	**ESCROW**	**NON-POLICY ABSTRACT**
1. Title Insurance Premiums (Sum Form B, Col. 2)	$0		
2. Remitted Title Premiums (Sum Form B, Col. 3)	$0	0.00%	
3. Retained Title Premiums (Sum Form B, Col. 4)	$0		
4. Fees Received for Title Examination and Furnishing Title Evidence (Sum Form C, Col. 3)	$0		
5. Closing Fees (Sum Form D, Col. 3)	$0		
6. Tax Certificates	$0		
7. Recording Fees	$0		
8. Restrictions	$0		
9. Inspection Fees	$0		
10. Courier & Overnight Delivery Fees	$0		
11. Telephone & Facsimile Charges	$0	$0	$0
12. Interest Income	$0	$0	$0
13. Other Income (from Form E, col. 2,3 & 4)	$0	$0	$0
14. Total for each column (Sum of lines 3-13)	$0	$0	$0
15. Total Income (Sum of all columns in line A-14)	$0		
	Close		

General Information:

Tax certificates through Telephone & Facsimile [lines A-6 through A-11] - Report all income collected for these specific items. Items are not carried forward from separate forms.

Interest Income (line A-12) - Does NOT include interest on funds held in escrow that is paid to owners of those funds.

   Direct operations: Does NOT include interest income on balances supporting underwriting, administration or claim settlement activities.

Total income - The sum of all columns in line A-14.

Instructions:

1.   Enter income information; use the [**TAB**] key to move cursor. Title premiums are displayed if entered in Form B. Fees received for title exam and furnishing title evidence are displayed if entered in Form C. Closing fees are displayed if entered in Form D.

2.   To view lines 13 through 15, **click on the down arrow** of the vertical scroll bar.

3.   Click on the **CLOSE** button below line 15 and a dialog box appears with the following message: ***Does this agency have additional expense items not already posted on Form A, Line B1-31?*** If **click on Yes**, the B: EXPENSE screen displays.

   If **click on No,** the application will advance to the next prompt.

ENTER NEW CALL

B :   EXPENSE

General Information:

♦ **General Note Regarding Expenses: Apportion corporate allocations from Form A, Sections E and F to appropriate line item expenses i.e. salaries, accounting, auditing, data processing, equipment, etc.**

♦ **Salaries/Wages** [lines B-1a and B-1b] - In addition to salaries, includes all forms of cash compensation such as commissions and bonuses. Include any payments to temporary or contract labor.

  Sole proprietorships and partnerships: Includes money withdrawn by owner/partner for personal use in lieu of or in addition to a specific salary.

  Direct operations: Does not include salaries for employees engaged solely in underwriting, administration, or claim settlement functions.   Where employees have multiple responsibilities, includes only that portion of salaries for the percentage of time devoted specifically to direct operations.

Employee benefits & welfare [lines B-2a and B-2b] - Includes, but is not limited to, group insurance (life, dental, health, etc.), profit sharing and pension plans [including 401(k), ESOP, SEP, etc.], unemployment taxes, payroll taxes, service awards, and company parties or other functions held solely for and attended solely by bona fide company directors, officers, and employees and their families.

Instructions:

1.   Enter expense information; use the [**TAB**] key to move cursor. The Examination Costs and Closing Costs Paid Non-Employees are displayed if entered in Forms F and G.

2.   To view lines 5 through 19, **click on the down arrow** of the vertical scroll bar.

ENTER NEW CALL

SECTION B: EXPENSE				
5. Rent	$0	$0	$0	
6. Utilities	$0	$0	$0	
7. Accounting & Auditing	$0	$0	$0	
8. Advertising & Promotions	$0	$0	$0	
9. Employee Travel, Lodging & Education	$0	$0	$0	
10. Insurance	$0	$0	$0	
11. Interest	$0	$0	$0	
12. Legal Expenses	$0	$0	$0	
13. Licenses, Taxes & Fees	$0	$0	$0	
14. Postage & Freight	$0	$0	$0	
15. Courier & Overnight Delivery	$0			
16. Telephone & Facsimile	$0	$0	$0	
17. Printing & Photocopying	$0	$0	$0	
18. Office Supplies	$0	$0	$0	
19. Equipment & Vehicle Leases	$0	$0	$0	

General Information:

FORM A, LINES B-5 THROUGH B-31 ARE INDIVIDUAL EXPENSE ITEMS. ALL APPLICABLE EXPENSES MUST BE REPORTED IN THEIR SPECIFIC CATEGORIES. DO NOT USE "OTHER EXPENSES" AS A CATCH-ALL.

♦ **Accounting and Auditing (line B-7) -** Includes expenses for in-house or contract services.

♦ **Advertising and Promotions** (line B-8) - Includes all advertising expenses, entertainment and meal expenses for the purpose of promoting the title agency. Promotional activities include furnishing or making expenditures for advertising mementos (i.e. logo inscribed memorabilia) which promote the licensee. Entertainment expense includes furnishing or making reasonable expenditures, not conditioned on the referral of title insurance business for entertainment, food and beverage by a title agent for a person in a position to refer title insurance business. Also include expenditures for educational activities designed to provide instruction about the business of title insurance to people in positions to refer title business.

♦ **Employee Travel, Lodging & Education** (line B-9) - Includes all expenses for business travel, including meals and short-term vehicle rentals while in travel status. Includes employee training expenses. Does NOT include long-term vehicle leases which should be reported on line B-19.

Insurance (line B-10) - Includes general insurance such as automobile, property, liability, workers compensation, E&O or fidelity, title agent and escrow officer bonds. Does NOT include group insurance plans. These should be reported on line B-2.

Interest (line B-11) - Includes interest paid or accrued on all short-term or long-term debt obligations.

Legal Expenses (line B-12) - Includes legal fees and retainers for corporate and administrative matters. Does NOT include costs for defending against a loss. These should be reported on line B-24.

Licenses, Taxes & Fees (line B-13) - Includes, but are not limited to, agent/direct operation and escrow officer licenses, notary bonds, sales tax permits, and property taxes.

Postage & Freight (lilne B-14) - Includes postage and freight expenses usual and customary to the operation of any business.

Courier & Overnight Delivery (line B-15) - Includes courier and overnight delivery charges paid to third-party vendors for the benefit of title insurance customers. Does NOT include expenses paid for an employee assigned runner/courier duties. These should be reported on line B-1a.

Telephone & Facsimile (line B-16) - Includes monthly telephone service charges as well as dedicated line charges, long distance charges, and other operational charges for facsimile equipment.

Equipment & Vehicle Leases (line B-19) - Includes all payments for vehicles and other equipment (whether mobile or stationary) acquired through long-term lease agreements. Does NOT include any short-term vehicle rentals while in travel status. These should be reported on line B-9.

3.   Continue to enter expense information; use the [**TAB**] key to move cursor.

4.   To view lines 20 through 34, **click on the down arrow** of the vertical scroll bar.

ENTER NEW CALL

20. Depreciation	$0	$0	$0
21. Director's Fees (Sum Form H - Cols 3,4 &5)	$0	$0	$0
22. Dues, Boards & Associations	$0	$0	$0
23. Bad Debts	$0	$0	$0
24. Loss (Sum of Amounts on Form I)	$0	$0	$0
25. Tax Certificates Paid Tax Authorities	$0		
26. Recording Fees Paid County Clerk	$0		
27. Plant Lease/Maintenance Costs	$0		$0
28. Damages Paid for bad faith suits	$0		
29. Fines or penalties for violation of law	$0	$0	$0
30. Donations/Lobbying	$0	$0	$0
31. Trade Association Fees	$0	$0	$0
32. *Other Expenses (Sum Form J - Cols. 2,3 & 4)	$0	$0	$0
33. Total Expenses (Sum of lines 1 thru 32)	$0	$0	$0
34. Total Expenses (Sum of all columns in line 33)	$0		

Close

General Information:

Depreciation And **Director's Fees** are displayed automatically if entered in Form H.

Dues, Boards, Associations (line B-22) - Includes only those amounts paid for memberships in associations and on boards.

♦ Does NOT include any portion of dues used to support political action committees or lobbyists. Those expenses should be reported on line B-30. Does NOT include amounts paid to trade associations or clubs. Trade association expenses should be reported on line B-31 and club memberships as employee benefits, line B-1b or advertising and promotions on line B-8.

Bad Debts (line B-23) - Limited to obligations due to this agency which were written off books during the calendar year as uncollectible.

Loss & loss adjustment expenses (line B-24) - Losses are displayed automatically if entered in Form I.

Tax Certificates Paid Tax Authorities (line B-25) - Includes any amounts paid to taxing authorities and/or to tax services for providing tax information.

Recording Fees Paid County Clerk (line B-26) - Restricted to the amount the county clerk charges for the recording of instruments.

Plant Lease/Maintenance Costs (line B-27) - These costs should be allocated directly to the title insurance column except to the extent that equitable and reasonable allocations to the non-policy abstract column can be made.

Donations/Lobbying (line B-30) - "Donations" means charitable contributions. "Lobbying expenses" includes amounts paid to political action committees (whether directly or indirectly through other organizations) and individual lobbyists (whether directly or indirectly through other organizations). Does NOT include amounts paid to trade associations. Those expenses should be reported on line B-31.

Trade Association Fees (line B-31) - Report amounts paid to organizations who provide professional services as well as lobbying.

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5. Continue to enter expense information; use the [**TAB**] key to move cursor down the page. Use the vertical scroll bar to move up the page.

6. **Click on the Close** button to close the form and a dialog box appears with the following message: *Would you like to review the income and loss calculations?* If **click on Yes**, C: NET screen displays.

ENTER NEW CALL

> If **click on No,** the application will advance to the next prompt.

C: NET

General Information:

Income (or loss) from operations (line C-1) - The program calculates these totals for you from the information you have entered. If these numbers do not agree with your calculations, complete the rest of the call then review your forms and revise any errors. The title agency statistical report should reconcile with the net income reported on the title agency financial statements for these three business areas.

Instructions:

Click on the Close button and a dialog box appears with the following message: ***Does this agency have policy counts to enter on Form A?*** If **click on Yes**, D: POLICY COUNT screen displays.

If **click on No,** the application will advance to the next prompt.
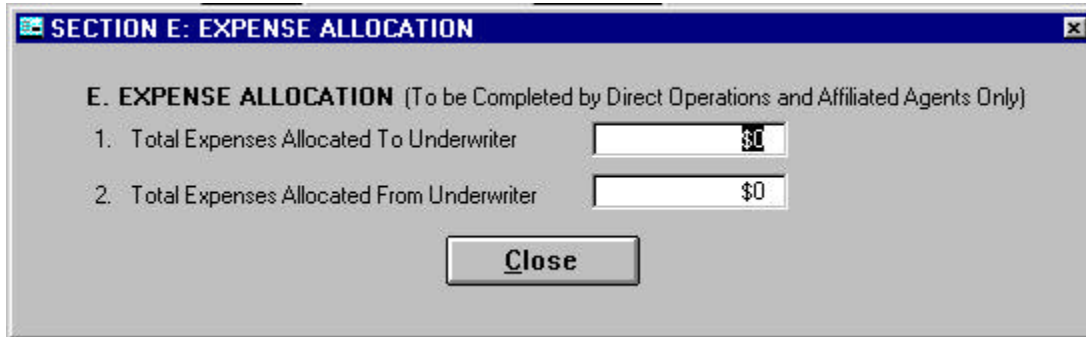
D: POLICY COUNT

General Information:

Line D-1 - Number of owner policies issued under Rate Rules R-3 and R-5 (simultaneous issuance).
Line D-2 - Number of mortgagee policies issued at other than simultaneous issuance rates.
Line D-3 - Number of mortgagee policies issued under Rate Rule R-5 (simultaneous issuance).

Instructions:

1.   Enter policy information; use the [**TAB**] key to move cursor.

2.   **Click on the Close** button and a dialog box appears with the following message: ***Did this agency allocate expenses to/from underwriters?*** If **click on Yes**, E: UNDERWRITER EXPENSE screen displays.

   If **click on No,** the application will advance to the next prompt.

E: UNDERWRITER EXPENSE

General Information:

Total expenses allocated *to* underwriter are those costs which were actually expended in the direct operation but which were allocated to the underwriter for purposes of the statistical report. This is an aggregate amount of all such expenses excluded from the agent's report*.*

Total expenses allocated *from* underwriter are those costs which were actually expended in the underwriting, administration or claim settlement activities of the underwriter but which were allocated to the direct operation or affiliated agent for purposes of the statistical report. This is an aggregate amount of all such expenses excluded from the underwriter's report.

Instructions:

1.   Enter expense allocation information; use the [**TAB**] key to move cursor.

2.   Click on the **CLOSE** button and a dialog box appears with the following message: ***Did this agency allocate income and/or expenses from an affiliate?*** If **click on Yes**, F: AFFILIATED ENTITIES screen displays.

      If **click on No**, Form A displays and you have reached the end of the data call. To print Form A now, **click on Print**. Go to bottom half of page 25 for further information.

F: AFFILIATED ENTITIES

The Agency, Year, and Agency Number fields display the information you entered on the Agency Information screen.

General Information:

For income and/or expense items reported on Form A, specify if allocations were made from other affiliated entities to include, but not limited to, parent and/or sister companies, holding companies or partners. Include the line and item number where the allocation is reported on Form A.

Instructions:

1.   Enter affiliate information; use the [**TAB**] key to move cursor or move to new row. The Name and Address must be entered or the record will not be saved. To delete a row, **click on the arrow** to the left of the record and [**Delete**].

2.   **Click on the OK** button. Form A displays. To print Form A now, **click on Print**.

✳✳

If you followed the form order used in this application, you have reached the end of the data call. Here are your options for completing this call:

- *To print and review* the information you entered, see section titled "Printing", page 28.

- *To review or edit* a form or section, see section titled "View/Edit Call", page 26.

- *To save the data call* onto diskette, see section titled "Make Diskette", page 31.

- *To close the data call:*

  1. **Click on the Close** button.

  2. The following message displays: "Are you sure you want to close this call?" If **click on Yes**, a dialog box will display. **Click on Cancel** to return to the Main Menu. If **click on No**, you will remain in Form A.

  3. From the Main Menu **click on Exit** to close the database and exit the Access application.

- *To enter another data call*, close the data call and begin from "Enter New Call".

View/Edit Call

Find Existing Record

1.   From the Main Menu, **click on View/Edit Call**. If you entered data on only one agency, your agency information will automatically display; skip to step 5.

2.   If you entered information for more than one agency, the following instructions will assist you in finding a particular agency. From the Toolbar (at the top of screen) click on the Binoculars button.

      The following FIND dialog box appears.
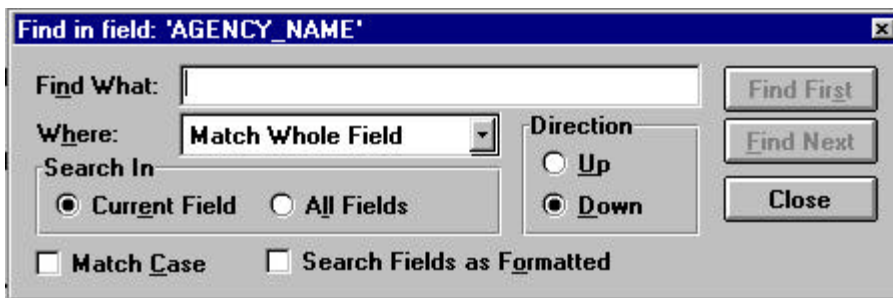
3.   In the "Find What" field, type agency name (in whole or part).

      If typing whole name, leave the "Where" field as is (Match Whole Field). If typing first word of agency name, change "Where" field to Start of Field. Click on the down arrow and highlight your selection. Leave the other fields as shown in example below.

4.   **Click on "Find First"** and your record should display.

      If record not found, the following message appears, "Microsoft Access reached the end of the records. OK Help. If click on OK, "Find" dialog box returns. You may need to change your search query. See note in step 3 above. If click on "Help", the Microsoft help screen appears explaining the error. To close the Help screen, click on File, then on Exit. Or, click on the X button found at the top right corner of the Help screen. The "Find" dialog box returns.

5.   To return to one of the forms, click on the appropriate alpha button located on the toolbar (directly above the FORM A title bar). To return to a section, click on the appropriate button located at the bottom of the form (directly below the "CHECK ONE" box). For a description of these buttons, see bottom of next page.
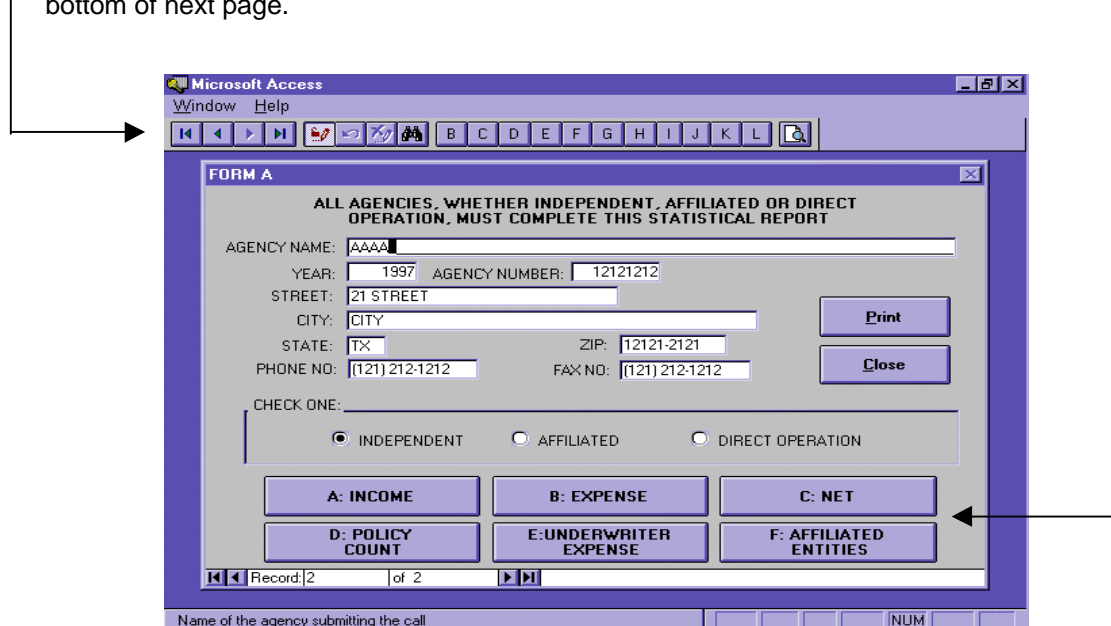
VIEW/EDIT CALL

6.   Go to the Enter New Call section of the user manual and locate the appropriate instructions for the form you are editing.

7.   After you are finished editing a form, **click on OK or Close**. You will be prompted to enter information on another form. **Click on Cancel** to return to the Form A screen.

8.   When you are ready to exit the data call, **click on Close**. A dialog box will display. **Click on Cancel** to return to the Main Menu, **click on Exit**.

FORM A - Description of Buttons

| BUTTONS	DESCRIPTION
A. INCOME	- Tax certificates, fees, restrictions, phone charges, interest income
B. EXPENSE	- Salaries, employee benefits, fees, rent, utilities, etc.
C. NET	- Income or loss from operations
D. POLICY COUNT	- Number of policies issued by your agency
E. UNDERWRITER EXPENSE	- Expense allocation
F. AFFILIATED ENTITIES	- Income/Expense from affiliated entities
Print	- Displays options for previewing or printing the form(s)
Close	- Closes this form and displays the Main Menu

PRINTING

Printing

Using the Print/Preview Button

Use the Print/Preview button to print or preview a form:

- From the toolbar, **click on the Print/Preview button**.
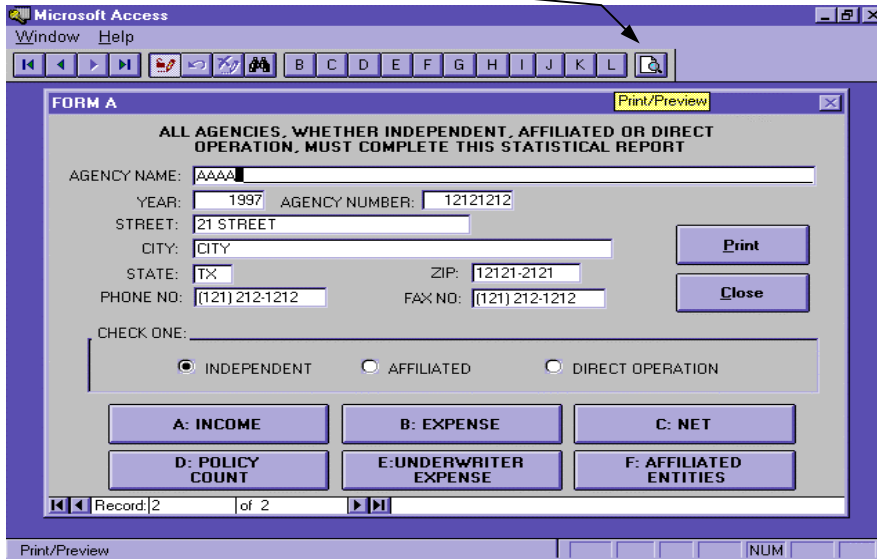
- A menu (shown below) will appear with choices for the individual forms (FORM A through FORM L).

- Choose the form you wish to print or preview by **clicking the circle** next to the appropriate form.

- **Click on Preview** to see what the printed form will look like when printed. If previewing Form A, use the arrows at the bottom left hand of your screen to scroll through the pages. Or,

- **Click on Print** to print the form. If printing FORM A, the SECTIONs will print automatically. If you wish to print the entire call **click on Print Entire Call**.
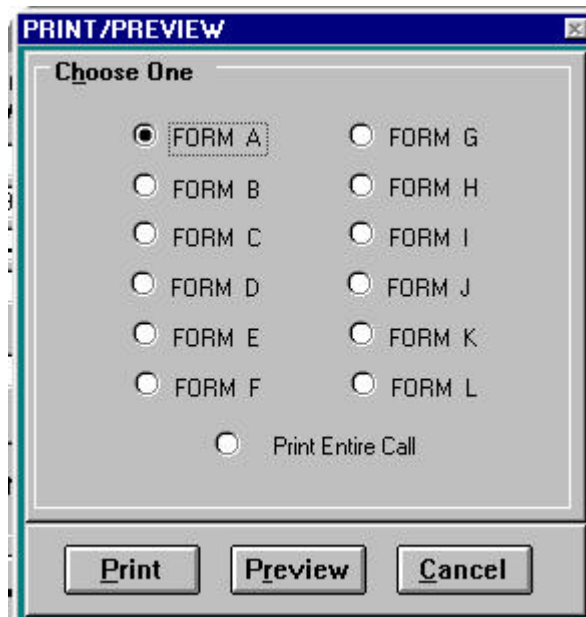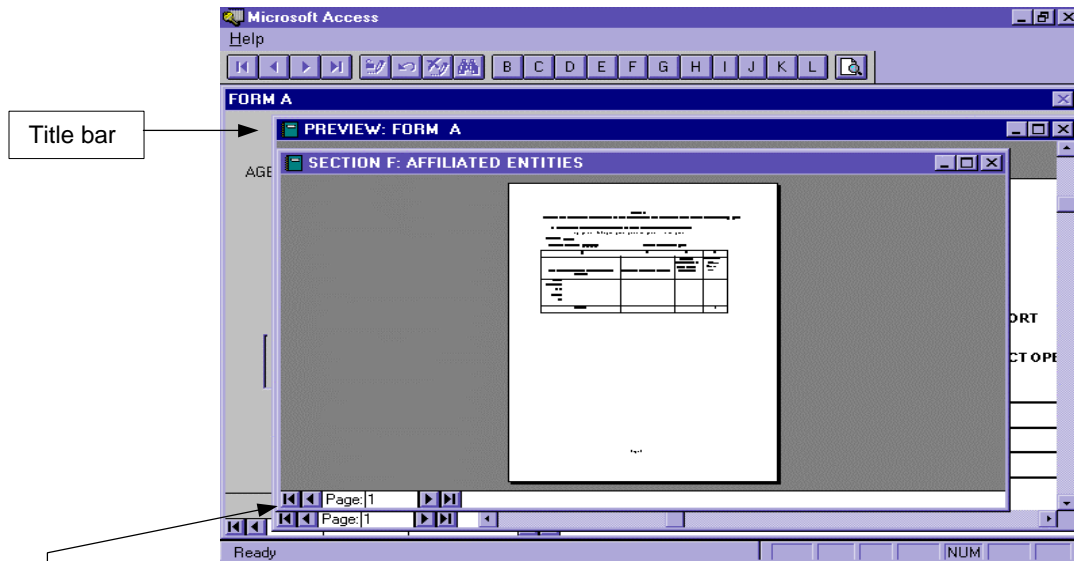
<center>P R I N T I N G</center>

When previewing Form A, you will see three titlebars on your screen: Form A, Preview: Form A, and Section F: AFFILIATED ENTITIES.

Preview Form A is four pages and includes Form A and Sections A through E.

Section F is the last section of Form A.

Title bar

- ❖ **To view a specific form**, use your mouse pointer and **click on the appropriate title bar**.
- ❖ **To scroll through the pages**, use the arrows at the bottom left side of the screen.
- ❖ **To resize the document**, **click on the page image** and it will either enlarge or shrink the page.
- ❖ **To redisplay the screens**, **click on the Window menu** and select Cascade or Tile, or select the form by name. The form you are currently viewing will be preceded by a check mark.
- ❖ **To return to Form A**, close each preview screen by clicking on the X located in the top right corner of the form.
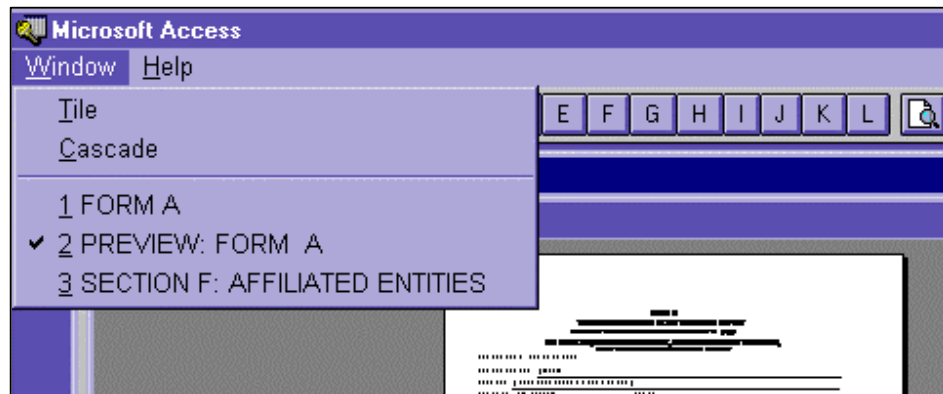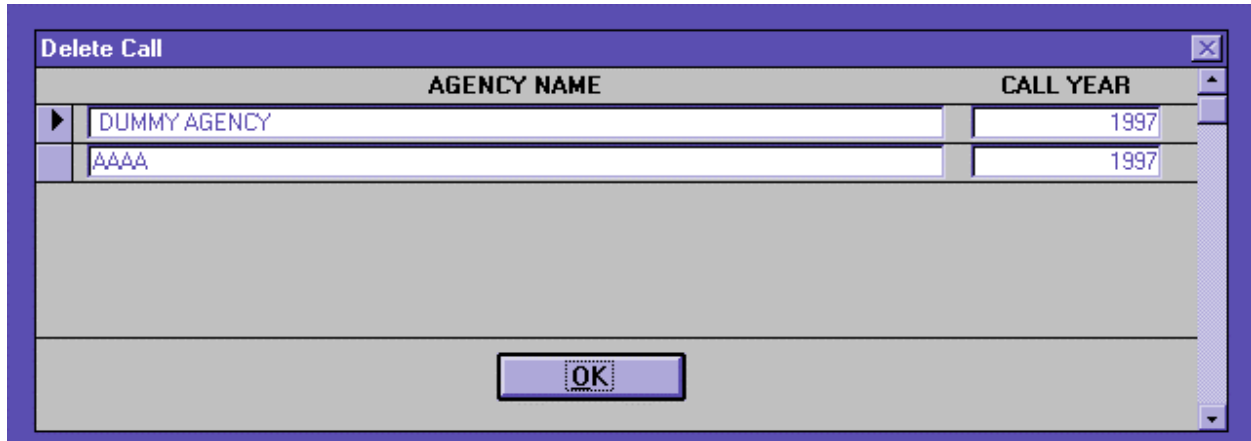
DELETE CALLS

Delete Calls

Deleting Unwanted Calls

1. From the Main Menu, **click on the Delete Calls** button.

2. A list of Calls appears by Agency Name and Call Year.

3. To delete the desired call, **click on the arrow** to the left of the Call and [**Delete**]. To restore the information in this Call, **click on Cancel**.

4. A dialog box appears with the following message: You've just deleted 1 record(s) in this table and additional records in related tables. Choose OK to save your changes or Cancel to undo your changes.

5. **Click on OK** to permanently delete this Call. The updated list of calls displays.

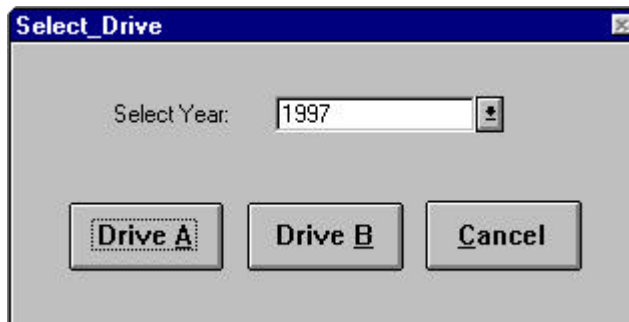6. **Click on OK** and you will return to the Main Menu.

Make Diskette

Making a Diskette of the Data Call

1. Have a blank, formatted diskette ready.

2. From the Main Menu, **click on the Make Diskette** button.

3. **Click on Drive A or Drive B** depending on which is designated as your 3½" floppy.

4. Message reads: "Insert an empty formatted diskette and click OK when ready." **Insert diskette and click on OK**. A dialog box will display with the message: "Copy Complete!!!"

5. **Click on Exit** and remove diskette from drive A or B.

6. Label your diskette with the following information:

    1998 Texas Title Ins. Agent Stat. Report
    Your Agency Name
    Agency Number
    Telephone Number
    Contact Name

7. Submit diskette, printed copies of forms, and signed affidavit to:

If submitting via regular mail, **use Mailing Address:**	**If submitting via Courier,** **use Street Address:**
Texas Department of Insurance	Texas Department of Insurance
Data Services MC 105-5D	Data Services MC 105-5D
P.O. Box 149096	333 Guadalupe Street
Austin, TX 78714-9096	Austin, TX 78701