The Title Office Staff recommends that the Commissioner of Insurance amend Rate Rule R-5 Simultaneous Issuance of Owner’s and Loan Policies to amend the reference in the last sentence of Paragraph (D) to reflect the renumbering of paragraphs.

The recommended changes are as follows:

**R-5.  Simultaneous Issuance of Owner’s and Loan Policies**
THIS RULE MAY NOT BE APPLIED in connection with the issuance of a series of Loan Policies issued by reason of notes being apportioned to individual units in connection with a master policy covering the aggregate indebtedness, including improvements.  Individual Loan Policies must be issued at the Basic Rate.

A. Except as otherwise provided in this rule, when an Owner’s Policy and Loan Policy(ies) are issued simultaneously, bearing the same date, and covering the same land, or a portion thereof, covered by the Owner’s Policy and covering no other land, the Owner's Policy showing the lien(s) as an exception therein shall be issued at the Basic Rate, and the premium for the Loan Policy(ies) shall be $100.00 each.

B. Should the amount of the Loan Policy(ies) exceed the amount of the Owner’s Policy, the Basic Rate shall be charged for the Owner’s Policy and the premium for the Loan Policy(ies) shall be at the Basic Rate plus $100.00 for each Loan Policy, less the Basic Rate for the Owner’s Policy.

C. If an Owner’s Policy or Policies were previously issued:

 1. Covering the identical property to be covered by the Owner’s Policy to be issued and

 2. The Owner’s Policy is to be issued in accordance with P-8a and

 3. Within four (4) years after the date of the previously issued Owner’s Policy or Policies and

 4. There has been no change in ownership of such property,

credit shall be given against the premium of the Owner’s Policy to be issued as provided in Rate Rule R-3; however, in no event shall the premium collected for such Owner’s Policy be less than the regular minimum promulgated rate for an Owner’s Policy.

D. An insured under an existing Owner’s Policy or Policies not issued in accordance with P-8a may, after completion of improvements on the property insured, receive credit as provided in Rate Rule R-3 toward a new Owner’s Policy in an amount greater than the existing Owner’s Policy or Policies; however, in no event may the Owner’s Policy be issued for less than the minimum promulgated basic premium rate.

This subsection applies only if, in addition to the criteria established in R-5.C.(1), (3) and (4) above, the land is residential property.

E. When an Owner’s Policy meeting the requirements of Rule R-2(b) is issued in the manner provided in Rule P-8a, and is issued simultaneously with a Loan Policy described in Rule R-2(a), bearing the same date, and covering the same land covered by the Loan Policy, or a portion thereof, and covering no other land, the premium for the Owner’s Policy shall be $100.00.  Should the amount of the Owner’s Policy exceed the amount of the Loan Policy, the premium for the Owner’s Policy shall be at the Basic Rate plus $100.00 less the Basic Rate (to be paid as provided in Rule R-2(a) for the Loan Policy.

In the application of this rule, if an Owner’s Policy or Policies were previously issued covering the identical property to be covered by the owner’s Policy to be issued and provided there has been no change in ownership of such property, credit shall be given against the premium for the Loan Policy to be issued as provided in R-3.

JUSTIFICATION

This agenda item conforms the language to other rules and forms in the Basic Manual.