

**Title 20--DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS  
AND PROFESSIONAL REGISTRATION  
Division 500--Property and Casualty  
Chapter 7—Title**

**EMERGENCY AMENDMENT**

**20 CSR 500-7.100 [Forms and] Rate Schedules.** The department is removing Appendix A from the rule and amending the purpose clause and sections (1) and (2).

*PURPOSE OF AMENDMENT: This amendment reflects the requirements that were enacted in SB 66. Furthermore, this amendment may remove forms, separate requirements for form filings and correct any minor grammatical or spelling errors.*

*PURPOSE: This regulation prescribes procedures to be followed by title insurers when filing [forms and] rate schedules with the director [of insurance].*

*EMERGENCY STATEMENT: This emergency amendment outlines requirements for rate filings and closing protection rate filings as required in Senate Bill 66, Laws 2007. This emergency rule is necessary to preserve the public welfare of Missouri citizens by ensuring that the public, title insurers, title agencies and title agencies understand the requirements outlined in Senate Bill 66, Laws 2007. Between July 2007 and the present, the department has met with title agents, most of whom represented small businesses, to discuss how to best implement the new requirements in Senate Bill 66, Laws 2007. The relevant portions of Senate Bill 66 take effect on January 1, 2008, and the industry has expressed to the department that it requires further guidance on how it is expected to comply. As a result, the Missouri Department of Insurance, Financial Institutions and Professional Registration finds an immediate danger to the public welfare and a compelling governmental interest, which requires emergency action. The scope of this emergency rule is limited to the conditions creating the emergency and complies with the protections extended in the Missouri and United States Constitutions. In developing this emergency rule, representatives of the insurance industry were consulted. The department believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed on January 16, 2008, effective January 28, 2008, and expires July 14, 2008.*

(1) *[Definitions. As used in this regulation, the following terms shall mean:*

(A) *Charge means any fee charged to the insured, or paid for the benefit of the insured, for the performance of title-related services other than the risk rate charged for title insurance. This charge shall include, but not be limited to, fees for abstracts, title search and examination, handling of escrows, settlements or closings;*

(B) *Director means the director of the Department of Insurance or his/her appointee;*

(C) *Department means the Department of Insurance, staff and employees; and*

(D) *Risk rate means the total consideration paid by or on behalf of the insured for a title insurance policy. Risk rate shall include the title insurance agent's commission but shall not include any charge as defined in subsection (1)(A).*

(2)] Filing of *[Title Insurance]* Rates.

(A) **Title Insurance Rates.** Every title insurer licensed in Missouri shall file with the director **as required by section 381.181, RSMo, 1994**, a completed title insurance rate reporting form for the risk rates it proposes to use in each county of this state and each city not within a county in this state. **Rate schedules filed under this rule must comply with section 381.171, RSMo, 1994.** The effective date for these rates shall be no earlier than the thirtieth day following the receipt of the form by the director.

(B) *[Appendix A]* **Filing Form. The Uniform Premium (Risk Rate) Report form, (Form T-7)**, sets forth a risk rate reporting format to be utilized by title insurers in this state for the respective types of title insurance contracts. When computing insurance premiums on a fractional thousand of insurance (except as to minimum premiums), multiply those fractional thousands by the rate per thousand applicable, considering any fraction of one hundred dollars (\$100) as a full one hundred dollars (\$100). **The form can be accessed at the department's website at [www.insurance.mo.gov](http://www.insurance.mo.gov) or at the department offices.**

(C) **Closing Protection Rates.** Every title insurer shall file with the director rates for closing protection letters applicable to residential real estate transactions. Rates for closing protection letters in residential real estate transactions shall meet the following standards:

1. Rates shall not be excessive or inadequate;
2. Rates are excessive if, in the aggregate, they are likely to produce a long run profit that is unreasonably high in relation to the risk of the business or if expenses are unreasonably high in relation to the services rendered;
3. Rates are inadequate if they are clearly insufficient, together with investment income attributable to them, to sustain projected losses and expenses or if continued use of such rates will have the effect of substantially lessening competition or the effect of tending to create a monopoly;
4. Rate filing standards apply separately to closing protection letters issued under section 381.058.3(2) – (3);
5. The rate filing shall document the anticipated losses, expenses and profits underlying the rates and provide appropriate actuarial support for the data, methods and assumptions;
6. Expected losses for rates do not include losses that result in a title insurance claim; and
7. Rates shall reflect expected fiduciary practices under current law and losses incurred in another state or under prior fiduciary practices may only be used if adjusted to reflect prospective Missouri fiduciary practices.

*[(3) Filing of Title Insurance Forms.*

*(A) No title insurer licensed in Missouri shall issue or agree to issue any form of title insurance binder, title insurance commitment, preliminary report, title insurance policy, title insurance standard form endorsement, other contract of title insurance or any related form unless these have been filed with the director of the Department of Insurance. The filing shall be received by the director of the Department of Insurance not less than thirty (30) days before the use of the form.*

(B) No policy, standard form endorsement or simultaneous instrument which provides title insurance coverage shall be issued unless it contains the following:

1. Total amount to be paid for the issuance of the policy; and
2. Risk rate for the policy.

APPENDIX A

MISSOURI DEPARTMENT OF INSURANCE

UNIFORM PREMIUM (RISK RATE) REPORTING FORM

NOTE: Risk rates must be filed with the department in accordance with 381.181, RSMo (Cum. Supp. 1989).

20 CSR 500-7.100 requires that the risk rates filed include the title insurance agent's commission.

Date Filed and Recorded

By Department:è

øRISK CLASSIFICATIONS

				Title Insuranceø			
Title Insurance				For Owners Orø		Original Title	
Reissue Title	For Conversion			Leasehold			
Titleø	Insurance For Insurance	For Of Contract		Original			
Reissue	Owners			Insuranceø		Owners and	
Owners and	Purchaser's	Title Title		Policies Upon Title		For	
Builder/ø	Leasehold	Leasehold		And Insurance		Insurance	
Acquisition In	Insurance	Simultaneous Developerø		Description		of	
Owners	Owner Leasehold	For Loan		For Loan		Satisfaction	
For Issue	(Subdepartmentø	Risk Amount* Policies		Policies		Policies'	
Policies-	Rates)~Other Otherø			of Debt•		Substitution-	

Up to \$50,000 of  
Liability  
Writtenø

Over \$50,000  
And Up To  
\$100,000, Addø

Over \$100,000  
And Up To  
\$500,000, Addø

Over \$500,000  
And Up To  
\$10,000,000,  
Add

Over  
\$10,000,000 And  
Up To  
\$15,000,000,  
Add

Over  
\$15,000,000,  
Add

Minimum  
Premium

\* The description of risk amounts shown is provided as a suggestion; other amount classifications will be considered by the department.

MISSOURI DEPARTMENT OF INSURANCE FORM P&C-31

"Original Title Insurance for Owners and Leasehold Owners Policies" means any owner's policy insuring fee simple estate for the full value of the premises, or any owner's policy insuring a leasehold estate for the present market value of such leasehold estate.

"Reissue Title Insurance for Owners and Leasehold Owners Policies" means a title insurance policy issued to a purchaser or lessee of real estate from a person whose title as owner has previously been insured by any company prior to the application for a new policy.

"Title Insurance for Conversion of Contract Purchaser's and Leasehold Policies" means a title insurance policy issued to a contract purchaser who has previously obtained a policy from an insurer insuring his/her contract, who subsequently obtains a deed given in pursuance of the contract and makes an application for an owner's policy from the same insurer and surrenders the previous policy; or a title insurance policy issued to a lessee who has previously obtained a leasehold policy of an insurer insuring his/her lease and subsequently purchases the property, makes application for an owner's policy from the same insurer and surrenders the previous policy.

"Original Title Insurance for Loan Policies" means a mortgage title insurance policy issued for an amount equal to or higher than the principal amount of the mortgage debt.

"Reissue Title Insurance for Loan Policies" means a mortgage title insurance policy issued for an owner of property who has had the title to such property previously insured as owner by any title insurer.

"Title Insurance for Owners or Leasehold Owners Policies upon Acquisition in Satisfaction of Debt" means a title insurance policy issued to an insured under a

*mortgage title policy who acquires title by foreclosure or by voluntary conveyance in extinguishment of debt.*

*-"Title Insurance for Substitution" means a title insurance policy issued to a borrower who obtains a substitution loan on the same property by the same lender.*

*-"Simultaneous Issue Policies" means an owner's and a mortgagee's policy(ies) covering identical land which are issued simultaneously.*

*~"Title Insurance for Builder/Developer (Subdepartment Rates)" means a title insurance policy covering premises owned by one owner which have been platted into multiple lots; a title insurance policy issued to an owner of multiple lots within a platted subdepartment; or a title insurance policy issued to an owner who proposes to sell vacant lots to individual purchasers and furnish an owner's title insurance policy to each purchaser, as evidence of title, in lieu of furnishing an abstract of title.*

*\*The description of risk amounts shown is provided as a suggestion; other amount classifications will be considered by the department.]*

*AUTHORITY: Sections 374.045, 381.042, 381.118, RSMo (Supp. 2007). Emergency Amendment Filed January 16, 2008, effective January 28, 2008 and expires July 14, 2008. A proposed amendment covering this same material is published in this issue of the **Missouri Register**.*