



## 2012 Bulletin 22

### 90 day Delay on Surcharge and Assessment for National Title

October 2, 2012

The Department of Financial Services, as receiver for National Title Insurance Company, requested and as required by statute, on September 4, the [Office of Insurance Regulation ordered](#) an assessment totaling \$212,000 from all title insurers doing business in Florida and that all agents and direct offices begin collecting a surcharge on policies of \$0.28 per policy from our customers.

While the title insurers agree with the principal behind this – protecting the policyholders of National from having their policies cancelled -- we felt that the relatively small amount of the policy surcharge would likely cost more to collect than it was worth.

Since the receivership would be continuing indefinitely, an assessment was certain to recur in future years. FLTA met with the DFS and the OIR last week and asked that they delay the effective date of both the assessment and the surcharge while we explore alternatives that might completely resolve the receivership and avoid the need for recurring assessments and surcharges. Our regulators graciously agreed and have extended the “due date” for the assessments and the start date for collecting the surcharge until December 3, 2012 and clarified some other questions we had about the order.

**It is NOT necessary to begin collecting the surcharge on each policy at this time.** A copy of the OIR letter can be found [here](#), and we greatly appreciate their cooperation and willingness to work with the industries they regulate.

FLTA will be using time to work with DFS to gather information necessary for the various insurers to evaluate the extent of liabilities under National Title’s outstanding policies, with an eye toward coordinating some sort of assumption agreement that will allow termination of the receivership and avoid annual assessments and continuing surcharges that restart every year.

We expect that a surcharge will ultimately be necessary – but hopefully we can arrange for this to be a one time event rather than a perpetual collection burden.

Expect further information from your underwriters as this develops.

Have you registered for the [2012 Convention](#) and the [Notary Ethics Webinar](#)?