FLTA FAQs

https://www.flta.org/FAQs-for-Agents

Incorrect Phone Number

INCORRECT NUMBER

CORRECT NUMBER

For Data Call technical support, please call 850-413-3146

For Data Call technical support, please call 850-413-3147

C. Agency Information Comparison

Old Template Lines 16 – 29



New Template Lines 16 – 25B



Affiliated Business Names

Old Template Line 19

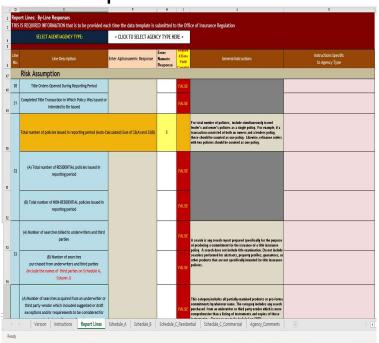
• 19 Affiliated Business Arrangement (Agency is affiliated with any real estate industry company or person who is in a position to refer title insurance business to an agency (a referrer), such as a real estate brokerage, a bank, a developer, or a mortgage company). (If Yes, List affiliated business names on Schedule A, Column B)

New Template Line 17

• 17 Real Estate Affiliation Affiliated Business Arrangement (Agency is affiliated with any real estate industry company or person who is in a position to refer title insurance business to an agency (a referrer), such as a real estate brokerage, a bank, a developer, or a mortgage company). (If Yes, please complete Schedule A, Columns A,B,C)

D. Risk Assumption

Old Template Lines 30 – 38



New Template Lines 26 – 33



Number of Non-Sale/Purchase Closing Transactions-Refinance

Old Template

- Line 32 Total number of policies issued in reporting period
- Line 37 Number of non-sale/purchase closing transactions from Line 32 Auto calculate A-D
- Line 37(A) Number of Refinance transactions included in 37
- Question Line 37(a) asks for the number of Line 32 that were not sale/purchase closing transactions. Does this include leasehold policies which insure the "purchaser" of the leasehold A: Line 37(a) should include leasehold owners' policies, which will again be included in Line 37(d). In this Data Call, leasehold transactions are included in "non sale/purchase closing transactions".

New Template

- Line 29 Total number of policies issued in reporting period
- Line 32 Number of non-sale/purchase closing transactions from Line 32 Auto calculate A-C
- Line 32 (A) Number of Refinance transactions included in 29
- Question Line 32(a) asks for the number of Line 32 that were not sale/purchase closing transactions. Does this include leasehold policies which insure the "purchaser" of the leasehold A: Line 32(b) should include leasehold owners' policies. In this Data Call, leasehold transactions are included in "non sale/purchase closing transactions".

Number of Non-Sale/Purchase Closing Transactions

Old Template

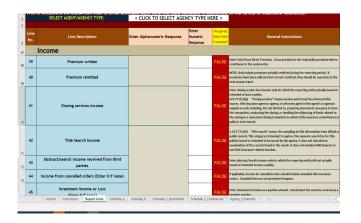
New Template

- Line 32 Total number of policies issued in reporting period
- Line 37 Number of non-sale/purchase closing transactions from Line 32 Auto calculate A-D
- Line 37(A) Number of Refinance transactions included in 37
- Question Line 37(a) asks for the number of transactions that were not sale/purchase transactions. How do we characterize a sale transaction in which we are insuring only the lender's interest? i.e. The purchaser declines owners coverages or has acquired it from another source simultaneously (both pretty rare). A: This seems to describe a loan policy issued as part of a sale transaction, which should be included with all transactions listed in Line 32.
- Line 37(C) Number of Leasehold transactions included in 37
- Line 37(c) asks for the number of Leasehold Transactions included in 37(a). Is this intended to reflect only policies insuring a lender to a leasehold, or policies in which we insure the person leasing a property? A: Line 37(c) should reflect all leasehold-owners and loan policies.

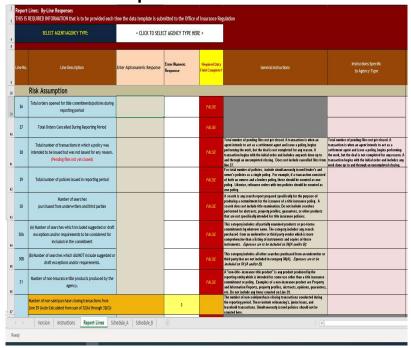
- Line 29 Total number of policies issued in reporting period
- Line 32 Number of non-sale/purchase closing transactions from Line 32 Auto calculate A-C
- Line 32 (A) Number of Refinance transactions included in 32
- Question Line 32(a) asks for the number of transactions that were not sale/purchase transactions. How do we characterize a sale transaction in which we are insuring only the lender's interest? i.e. The purchaser declines owners coverages or has acquired it from another source simultaneously (both pretty rare). A: This seems to describe a loan policy issued as part of a sale transaction, which should be included with all transactions listed in Line 29.
- Line 32(B) Number of Leasehold transactions included in 32
- Line 32(b) asks for the number of Leasehold Transactions included in 32(a). Is this intended to reflect only policies insuring a lender to a leasehold, or policies in which we insure the person leasing a property? A: Line 32(b) should reflect all leasehold-owners and loan policies.

E. Income

Old Template Lines 39 – 49



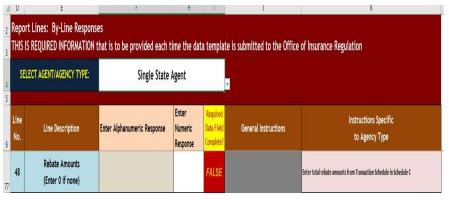
New Template Lines 26 – 33



Premium Written

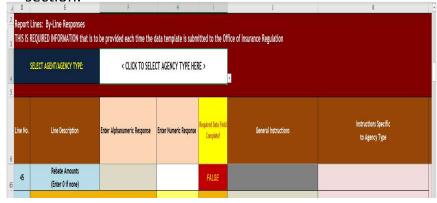
Old Template

- 1. Does line 39 "Premium Written" include endorsements? A: Yes, as does the entry on Schedule C.
- 2. What does Line 48 "Rebate Amounts" include A: Line 48 refers to "Butler" type rebates for which the consumer (premium payer) receives a refund of a portion of the title premium, paid from the agent's share of the title premium. Agents are to reflect the total amount of "Butler" Rebates given to consumers for the reporting period in this section.

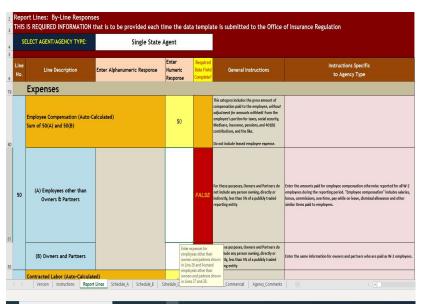


New Template

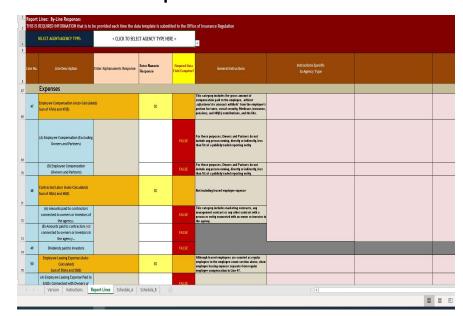
- 1. Does line 34 "Premium Written" include endorsements? A: Yes.
- 2. What does Line 45 "Rebate Amounts" include A: Line 45 refers to "Butler" type rebates for which the consumer (premium payer) receives a refund of a portion of the title premium, paid from the agent's share of the title premium. Agents are to reflect the total amount of "Butler" Rebates given to consumers for the reporting period in this section.



Old Template Lines 50 – 82



New Template Lines 47 – 79



OLD

2 Report Lines: By-Line Responses THIS IS REQUIRED INFORMATION that is to be provided each time the data template is submitted to the Office of Ir SELECT AGENT/AGENCY TYPE: < CLICK TO SELECT AGENCY TYPE HERE > d Data Line Description Enter Alphanumeric Response **General Instructions** Field Response This category applies to non-labor Title plant maintenance/ access costs of maintaining a title plant or to fees paid to access a title plant expenses belonging to another. This category applies when the agency is buying a search from any third party or underwriter, but only when the search does not include suggested or draft exceptions (A) Abstract/search and/or requirements to be expenditures with third parties considered for inclusion in the commitment. This category is to reflect the cost of those searches identified in lines 33(B), 34(B), and 97 61 34(C). This category applies when the agency is buying a search from any third party or underwriter, but only when the search oces include suggested or draft exceptions (B) Examined search products and/or requirements to be considered for inclusion in the commitment. This category is to reflect the cost of those searches identified in line 34(A).

NEW

4 5	SELECT AGENT/AGENCY TYPE:		< CLICK TO SELECT AGENCY TYPE HERE >			v
	ine No.	Line Description	Enter Alphanumeric Response	Enter Numeric Response	Required Data Field Complete?	General Instructions
36	57	Non-Labor Costs of Title plant maintenance/ access expenses			FALSE	This category applies to non-labor costs of maintaining a title plant or to fees paid to access a title plant belonging to another. i.e. Black Knight, th Fund, Courthouse, etc.
87	58	Abstract/search expenditures with third parties (including Underwriters with Examination)		\$0		This category applies when the agency is buying a search from any third party or underwriter, but only when the search dees include suggested or draft exceptions and/or requirements to be considered inclusion in the commitment. This category is inclusion in the commitment. This category is to reflect the cost of those searches identified in line 30(A).
18		(A) Title Search Expense Paid from Operating Account			FALSE	This category is to reflect the cost of those search identified in lines 30(A).
19		(B) Title Search Expense Paid through Escrow Account as a Pass Through			FALSE	This category is to reflect the cost of those search identified in lines 30(A).
90	59	Abstract/search expenditures with third parties (including Underwriters without Examination)		\$0		This category applies when the agency is buying a search from any third party or underwriter, but only when the search dees not include suggested or dr exceptions and/or requirements to be considered for inclusion in the commitment. This category is to reflect the cost of those searches identified in line 30(E).
1		(A) Title Search Expense Paid from Operating Account			FALSE	This category is to reflect the cost of those search identified in line 30(B).
2		(B) Title Search Expense Paid through Escrow Account as a Pass Through			FALSE	This category is to reflect the cost of those search identified in line 30(B).
13	60	Expense from non-title insurance products produced			FALSE	A "non-title-insurance title product" is any product produced by the reporting agent which is intended it some use other than a title insurance commitment policy. Examples of a non-insurance product are Property Information reports, property profiles, abstracts, opinions, guarantees, etc. Do not include any programment of the commitment of the co

OLD

- 1. What are they getting at in lines 60, 61 (a)-(b) and 62? A: In these four lines, the OIR is attempting to get a better understanding of the costs incurred by agents in producing or acquiring their title information. If you maintain your own plant or "rent" access to a plant, line 60 is intended to pick up the non-labor costs of running that plant. (Labor costs should be reflected in the various categories of Lines 50 [Employee Compensation] and 55 [Employee Benefits] on Schedule B.)
- We understand that many title agencies purchase searches and access from other parties, including, for example, reQuire and Reliable Lien Search, Inc.. These fees should be reflected in Line 61a (Abstract/search expenditures with third parties), since it is a search which does not contain requirements. Some agencies acquire what amounts to an old fashioned abstract, a list of the documents in the chain, and copies of those instruments. Other searches also include suggested requirements and/or exceptions, based on the searcher's review/examination of the documents. We need to better understand how this difference in business models affects the costs of operating an agency, and that is the distinction being drawn.

NEW

- 1. What are they getting at in line 57, 58 (a&b), and 59 (a&b)?

 A: The OIR is attempting to get a better understanding of the costs incurred by agents in producing or acquiring their title information. If you maintain your own plant or "rent" access to a plant, line 57 is intended to pick up the non-labor costs of running that plant. (Labor costs should be reflected in the various categories of Lines 47 [Employee Compensation] and 52 [Employee Benefits].
- Searches which include suggested requirements and/or exceptions, based on the searcher's review/examination of the documents should be included in Lines 58a and/or 58b. We understand that many title agencies purchase searches and access from other parties, (including, for example, require, Reliable Lien Search, BlackKnight, and the Fund). These fees should be reflected in Lines 59a and /or 59b. (Abstract/search expenditures with third parties), since it is a search which does not contain requirements. Some agencies acquire what amounts to an old fashioned abstract, a list of the documents in the chain, and copies of those instruments. We need to better understand how this difference in business models affects the costs of operating an agency, and that is the distinction being drawn.

OLD

- 2. What is the difference between lines 61 ("search") and 62 ("examination")? A: The difference can be found in Fla. Stat. § 627.7711. Fla. Stat. § 627.7711(d) defines the search narrowly: "Title search means the compiling of title information from official or public records." The verb in this definition is "compiling" and the records compiled in a search are only from official or public records.
- The cost of the examination of the documents compiled in the search is found in Fla. Stat. § 627.7711(b), under the definition of "Primary title services", where it refers to an "evaluation of a reasonable title search".
- Although some in the industry refer to the search and examination interchangeably, and while it is true that some states (Texas, for example) define "examination" to include the search, Florida Statutes narrowly define the term "search".
- It is understood that, during the search, decisions are made as to which documents are relevant and which are not, and that such decisions might be considered an examination. This on-the-spot decision making as to which documents to include in the compilation should be included within the definition of "search".
- So, Line 61 deals with two types of payments: part a) encompasses payments for searches where the agency receives only the documents compiled by the search; and part b) encompasses payments for searches where the agency receives the type of search reflected in a) AND suggested exceptions and requirements for the commitment (sometimes referred to as a "pro-forma commitment").
- Line 62 deals with payments to third parties who examine a search done either by the agency or by another third party. Is 62 not included in 61b?

NEW

- 2. What is the difference between lines 58 ("examination") and 59 ("search")? A: The difference can be found in Fla. Stat. § 627.7711. Fla. Stat. § 627.7711(d) defines the search narrowly: "Title search means the compiling of title information from official or public records." The verb in this definition is "compiling" and the records compiled in a search are only from official or public records.
- The cost of the examination of the documents compiled in the search is found in Fla. Stat. § 627.7711(b), under the definition of "Primary title services", where it refers to an "evaluation of a reasonable title search".
- Although some in the industry refer to the search and examination interchangeably, and while it is true that some states (Texas, for example) define "examination" to include the search, Florida Statutes narrowly define the term "search".
- It is understood that, during the search, decisions are made as to which documents are relevant and which are not, and that such decisions are considered an examination. This on-the-spot decision making as to which documents to include in the compilation should be included within the definition of "search".
- Line 58 (a)(b) encompasses payments for searches where the agency receives the documents complied by the search AND suggested exceptions and requirements for the commitment (sometimes referred to as a "pro-forma commitment").
- So, Line 59 (a)(b) encompasses payments for searches where the agency receives only the documents compiled by the search.

Old

- 3. Where do we reflect fees that a title agency may pay to outside companies and/or local and community municipalities for search services in connection with matters such as utility liens, city/county assessments or Mortgage and Lien Release searches? A: These charges will be reflected on Line 61(a)-Abstract/Search Expenditures with Third Parties.
- 4. What should be included in Line 68 "Business Legal"? Does that include the costs for the lawyer we have on staff who assists in closings, escrow questions and functions as our general counsel? A: Many Florida agencies are attorney-owned or have an attorney involved on a more or less full time basis. The payments to lawyers who are an integral part of your business should be reflected in the various categories of Lines 50 (Employee compensation) and 55 (Employee benefits).
- This category is intended to reflect the cost of obtaining outside legal counsel for corporate, business, HR and other matters not directly related to defending a title or closing claim.
- Costs incurred in defending a specific closing or title claim should be reflected in Line 87.

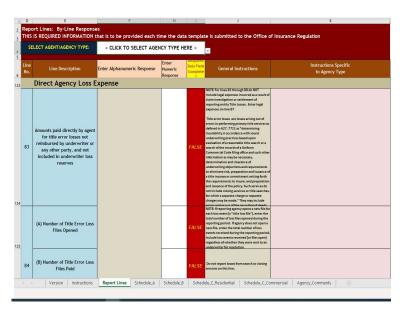
- 3. Where do we reflect fees that a title agency may pay to outside companies and/or local and community municipalities for search services in connection with matters such as utility liens, city/county assessments or Mortgage and Lien Release searches? A: These charges will be reflected on Line 59 (a) or (b)-Abstract/Search Expenditures with Third Parties.
- 4. What should be included in Line 65 "Business Legal"? Does that include the costs for the lawyer we have on staff who assists in closings, escrow questions and functions as our general counsel? A: Many Florida agencies are attorney-owned or have an attorney involved on a more or less full-time basis. The payments to lawyers who are an integral part of your business should be reflected in the various categories of Lines 47 (Employee compensation) and 52 (Employee benefits).
- This category is intended to reflect the cost of obtaining outside legal counsel for corporate, business, HR and other matters not directly related to defending a title or closing claim.
- Costs incurred in defending a specific closing or title claim should be reflected in what Line 80?

Old New

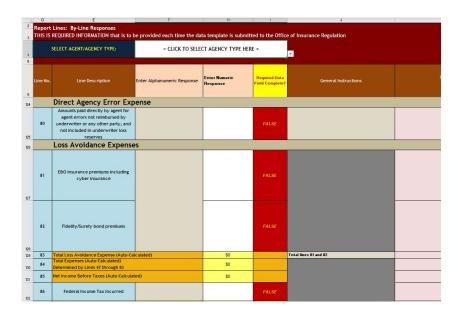
- 5. What portion of my FLTA and ALTA membership and attendance at programs may I allocate to Line 73 "Employee and Owner Education"? A: While many of you joined FLTA because "All title agents should belong to FLTA--it's the right thing to do for the industry!" it is likely that you also joined the association for the value it provides to your business. A substantial portion of that value is from our formal and informal education programs, including for-credit webinars and continuing education programs offered at the convention and zone meetings, and the regular flow of the latest information about changes in the law, current cases, regulatory interpretations and other informal education.
- Based on that, we think it is appropriate for an agency to allocate 50% of its membership dues and 50% of the cost of attending FLTA/ALTA and similar conventions as an educational expense.
- Note the travel and lodging relating to attending educational and other programs are not included here, but are separately reported on Line 72.
- 5. What portion of my FLTA and ALTA membership and attendance at programs may I allocate to Line 70 "Employee and Owner Education"? A: While many of you joined FLTA because "All title agents should belong to FLTA--it's the right thing to do for the industry!" it is likely that you also joined the association for the value it provides to your business. A substantial portion of that value is from our formal and informal education programs, including for-credit webinars and continuing education programs offered at the convention and zone meetings, and the regular flow of the latest information about changes in the law, current cases, regulatory interpretations and other informal education.
- Based on that, we think it is appropriate for an agency to allocate 50% of its membership dues and 50% of the cost of attending FLTA/ALTA and similar conventions as an educational expense.
- Note the travel and lodging relating to attending educational and other programs are not included here, but are separately reported on Line 69 (A)(B) or (C).

G. Direct Agency Loss Expenses

Old Template Lines 83 – 90



New Template Lines 80 – 83



L. Miscellaneous

Old New

- Question 4. How do I contact the OIR and the DFS? A: All Data Call questions may be directed to Peter Rice, Title Insurance Coordinator at OIR (<u>peter.rice@floir.com</u>) 850-413-5249).
- DFS maintains an email address (<u>title@myfloridacfo.com</u>) for questions, and any inquires regarding the Data Call will be passed along to the OIR. An official site for Data Call questions will be established.
- Question 8: Where do we show estoppel fees? A: Show estoppel fees on line 81 in the main report. Also, on Schedule B, under Category IIIG, show the time expended on estoppel fees. Basically, the goal is to properly show the volume and amounts of those fees. So, on Line 81, show the total number of estoppels requested and the total fees paid for those estoppels, such as "25 estoppels costing \$10,000".

- Question 4. How do I contact the OIR and the DFS? A: All Data Call questions may be directed to OIR (<u>TitleAgencyDataCall@myfloridacfo.com</u>) or 850-413-3147.
- Question 8: Where do we show estoppel fees? A: Show estoppel fees on line 59 in the main report. Also, on Schedule B, under Category III, show the time expended on estoppel fees. Basically, the goal is to properly show the amounts of those fees. So, on Line 59, show the total number of estoppels requested and the total fees paid for those estoppels, such as "25 estoppels costing \$10,000".

OTHER CHANGES

- How do we Submit our Data Call Information? (links)
- Set up an account with OIR.
- <u>Submit the Data Call information</u>, please change the link to <u>How to</u> <u>Create and Submit Title Filings Using the Florida Office of Insurance</u> <u>Regulation Filing System (IRFS) (floir.com)</u>