

**STEWART TITLE GUARANTY COMPANY**  
**RATE SCHEDULE**  
**FOR**  
**TITLE INSURANCE ON COMMERCIAL PROPERTY**  
**IN THE STATE OF WASHINGTON**

**Filing #2008-16**

**Effective May 30, 2008**

Filed with the Insurance Commissioner in the state of Washington in accordance with Section 48.29.140, Revised Code of Washington.

This manual is for the use of Stewart Title Guaranty Company's Title Insurance Policy Issuing Attorneys, Agents, and Offices. Any other use or reproduction of this manual is prohibited.

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SECTION I

GENERAL RULES AND DEFINITIONS

**A. Title Insurance on Commercial Property**

This Schedule shall only be effective if the property to be insured is "Commercial Property." As used in this Schedule, the term "Commercial Property" shall mean property that is (a) being used for, or is intended to be used for, commercial or industrial purposes, and (b) valued at \$1,000,000 or more. The term "Commercial Property" shall not include detached, 1-4 family residences or residential condominiums.

This Schedule shall be applicable in issuing commitments, owners policies, loan policies, guarantees, endorsements, certificates and other products and services described herein. Unless otherwise noted, owner's policies, guarantees and certificates shall be issued in an amount at least equal to the full value of the estate or interest insured, without deduction for encumbrances. Owner's policies may be issued in an amount greater than the full value of the estate insured to cover anticipated improvements. Mortgagee policies shall generally be issued in an amount equal to the amount of the insured loan.

**B. Standard vs. Extended Coverage**

Standard Coverage: *Does not* insure against matters described under extended coverage below.

Extended Coverage: *Does* insure against the following matters:

- Rights or claims of parties in possession not shown by the public records;
- Public or private easements, or claims of easements, not shown by the public record;
- Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of the premises;
- Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records, or liens under the Workmen's Compensation Act not shown by the public records.

**C. Minimum Charges**

The rates quoted in this Schedule are minimum charges that are to be made for the services performed and the usual risks assumed in the issuance of a title insurance policy. If it is determined that additional work is required, the Company reserves the right to make such additional charges as may be deemed necessary to properly compensate the Company for such additional work and risk. If this becomes necessary, the applicant will

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be advised of these additional charges as soon as possible and afforded the opportunity to cancel.

**D. Charges for Services Not Scheduled**

Other services may be required by an applicant for which no rate has been provided for in this Schedule. In such cases a charge will be made which, in the opinion of the Company, is consistent with the general pattern of pricing provided in this Schedule and which will provide adequate payment for the work done.

**E. Governmental Agencies**

The charge for title insurance for government agencies acquiring or disposing of real estate may be based upon agreement between such agency and the Company.

**F. Cancellation Fees**

1. Cancellation After Issuance of Preliminary Commitment. After the issuance of a Preliminary Commitment to insure, if no transaction is consummated in reliance thereon, the charge for the Commitment shall be reduced to an amount which, in the opinion of the Company, is reasonable compensation for liability incurred and the work performed. Unless there are grounds for waiving the fee (see below), the minimum cancellation fee shall be \$50. If the transaction is consummated within six months of the cancellation and the Company issues a policy, a credit in the amount of the cancellation fee will be applied to the policy charge.

The entire charge may be waived if:

- a. Through error, a duplicate order has been entered at the same or competing companies; or
- b. A transaction is not consummated; or
- c. The Company, for underwriting reasons, makes a decision not to insure.

If a transaction is consummated in reliance upon a commitment issued by the Company, but without requesting a policy of title insurance, the full Commercial Rate appropriate to the type of insurance normally issued on such transaction will apply.

2. Cancellation of Litigation or Trustees Sale Guaranty. If the Company's Litigation or Trustee's Sale Guarantee is issued (see Section IV) and the trustee, mortgagor or vendee, or their successors in interest, reinstate the deed of trust, mortgage, or contract, or pay the indebtedness in full and the sale or forfeiture is cancelled, there shall be no reduction in the charge.

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**G. Reinsurance**

The cost of any reinsurance that may be required may be added to the charges defined herein

SECTION II

COMMERCIAL RATE

Standard Coverage Owner's Policies shall be rated in accordance with the following chart.  
Standard Coverage Loan Policies shall be rated in accordance with the following chart, less 10%.

Liability of \$1,000,000 = \$2,300

<b>Liability</b>		<b>Premium</b>
<b>From</b>	<b>To</b>	<b>(per \$1,000 of liability)</b>
\$1,000,000	\$5,000,000 add	\$1.35
\$5,000,001	\$10,000,000 add	\$1.00
\$10,000,001	\$100,000,000 add	\$0.55
\$100,000,001	Over, add	\$0.50

SECTION III

SPECIAL RISKS AND ADDITIONAL CHARGES

Title insurance, under the following circumstances, shall be considered a special risk and shall be rated as follows:

**A. Tax Title**

The charge for insuring any title within three (3) years after the issuance of a deed resulting from an action foreclosing the lien of delinquent real property taxes or a local improvement district assessment shall be 25% of the amount of the liability under the policy issued, with a minimum charge of \$1,000.

**B. Extended Coverage**

1. For Extended Coverage Loan Policies, there shall be no additional charge for providing extended coverage. For Extended Coverage Owner's Policies, the charge shall be the Commercial Rate PLUS an additional charge for extended coverage in an amount calculated as follows:

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For that portion of the liability amount which does not exceed \$20,000,000: 30% of the Commercial Rate;

For that portion of the liability amount which exceeds \$20,000,000: \$0.10 per \$1,000 of liability in excess of \$20,000,000.

When questions of survey are insured against, a survey satisfactory to the Company may be required at the cost of the insured.

### **C. Special Exceptions Insurance**

Special exceptions may be insured against for a charge commensurate with the risk assumed.

### **D. Additional Examination Charges**

1. Additional Parcels. \$100 for each additional parcel over one.
2. Easements. \$50 for each appurtenant easement insured as a part of the legal description.

### **E. No Administration of Decedent's Estate.**

In selected cases, the Company may agree to issue insurance even though there has been no administration of a decedent's estate. Such insurance must be based on adequate proofs of heirship, indebtedness and related matters. If the policy is issued within six (6) years of the decedent's death, there shall be an additional charge of 100% of the Commercial Rate. If the policy is issued more than six (6) years but less than ten (10) years following the decedent's death, the additional charge shall be 50% of the Commercial Rate. If the policy is issued more than ten (10) years after the decedent's death, there is no additional charge.

## SECTION IV

### ADDITIONAL INSURANCE PRODUCTS

The following insurance products shall be available at the charges described below. None of the Rate Reductions described in Section V shall apply to these products unless specifically noted below.

### **A. Trustee's Sale/Litigation Guarantee/Contract Forfeiture**

1. The charge for a trustee's sale guarantee shall be 70% of the Commercial Rate, based upon the outstanding balance of the deed of trust in default. The charge

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shall include two (2) continuation endorsements within twelve (12) months from the date of guarantee at the request of the applicant. The charge for additional date-down endorsements will be commensurate with the work required.

2. The charge for a litigation guarantee shall be 70% of the Commercial Rate based upon the outstanding balance of the deed of trust, mortgage, lien or contract which is the subject of the action, or in those instances where the action involves other than foreclosures or forfeiture, the charge shall be 100% of the Commercial Rate, based upon the value of the estate of interest involved. The charge shall include two (2) continuation endorsements at the request of the applicant.
3. The charge for a contract forfeiture guarantee shall be 70% of the Commercial Rate based upon the outstanding balance of the contract being forfeited and shall include one (1) Continuation Endorsement at the time of filing the notice of intent to forfeit. The charge for additional date-down endorsements will be commensurate with the work required.
4. Owner's insurance to the beneficiary following foreclosure, trustee's sale, or deed in lieu shall be issued upon request at no charge to the extent of the amount shown on the trustee's sale or litigation guarantee. If the beneficiary requests a binder in lieu of an owner's policy, the charge for the binder shall be 10% of the Commercial Rate to the extent of the amount shown on the trustee's sale or litigation guarantee and the rules applying to binders set forth in Paragraph B, below, shall apply.

### **B. Binders**

A title commitment in the form of a binder may be issued for the purpose of providing title insurance to the current owner and committing to insure a sale of the subject property to an ultimate purchaser. The binder will be issued to the current owner of the property in lieu of a policy of title insurance. The binder commits the Company to issue an owner's policy to the ultimate purchaser, provided the sale to the ultimate purchaser is recorded within ninety (90) days from the date of the binder. Items affecting the title which intervene between the binder date and the policy date must be cleared or shown as exceptions in the policy to the ultimate buyer. If the sale is not recorded within ninety (90) days of the date of the binder, the policy of title insurance will automatically be issued (as of the date of the binder) insuring the assured named in the binder in the amount of the binder.

The charge for a binder to issue an owner's policy based on the full value of the initial sale shall be the Commercial Rate, plus 10%. If the resale amount is in excess of the binder amount, the charge for the additional amount of insurance shall be the difference between the Commercial Rate applicable to the amount of the outstanding binder and the Commercial Rate applicable to the amount of the policy to be issued, plus any applicable charges for extended coverage.

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**C. The Article 9 Comprehensive Plus Policy of Title Insurance (Lender's) (M-9804)  
The Article 9 Comprehensive Plus Policy of Title Insurance (Owner's) (O-9803)**

The ARTICLE 9 COMPREHENSIVE PLUS™ POLICY OF TITLE INSURANCE (LENDER'S) and the ARTICLE 9 COMPREHENSIVE PLUS™ POLICY OF TITLE INSURANCE (OWNER'S) are new title insurance policies that will be issued to owners of and lenders secured by liens on various types of collateral, including (if applicable) fixtures, timber, as-extracted collateral and other Collateral.

The Owner's Policy insures the owner against stated liens that may have attached to the Collateral.

The Lender's Policy insures the lender and primarily insures (1) against stated liens that may have attached to the Collateral, (2) that the Lender's lien has attached to the Collateral, and (3) that the Lender's lien has been perfected, as provided in the Policy.

**BASIC RATES**

AMOUNT OF INSURANCE:	BASIC RATES (for amount of insurance excess of prior bracket of liability):
\$0 up to and including \$100,000	\$500
\$100,001 to \$300,000	\$3.85/\$1000 of additional insurance (or any portion thereof)
\$300,001 to \$1,000,000	\$2.00/\$1000 of additional insurance (or any portion thereof)
\$1,000,001 to \$3,000,000	\$1.50/\$1000 of additional insurance (or any portion thereof)
\$3,000,001 to \$5,000,000	\$1.25/\$1000 of additional insurance (or any portion thereof)
\$5,000,001 to \$10,000,000	1.00/\$1000 of additional insurance (or any portion thereof)
\$10,000,001 to \$25,000,000	\$0.85/\$1000 of additional insurance (or any portion thereof)
\$25,000,001 to \$50,000,000	\$0.65/\$1000 of additional insurance (or any portion thereof)
\$50,000,001 and above	\$.50/\$1000 of additional insurance (or any portion thereof)

All rates reflect the premium rate for the Article 9 Comprehensive Plus Policy, and do not include cost for reinsurance required by the insured, UCC searches, UCC preparation costs, and UCC filings charges and fees. Any order for the Article 9 Comprehensive Plus Policy must be placed and communications must be sent through websites or other electronic communications locations designated by Stewart Title Guaranty Company for placement and receipt of order for the Article 9 Comprehensive Plus Policy.

**SIMULTANEOUS RATE**

If an Article 9 Comprehensive Plus Policy of Title Insurance (Owner's) is issued simultaneously with an Article 9 Comprehensive Plus Policy of Title Insurance (Lender's) the rate shall be the Basic Rate for the Amount of Insurance for the policy with the larger amount of insurance, plus \$500 for the additional policy.

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## MIXED COLLATERAL TRANSACTIONS

In transactions of any amount where both personal property and real property secure the same indebtedness, and Stewart Title Guaranty Company policies are simultaneously issued on both the real property and personal property, the rate for the Article 9 Comprehensive Plus Policies shall be 90 % of the applicable rate, but in no event less than \$500 for each policy.

## SECTION V

### RATE REDUCTIONS

Unless otherwise specifically noted, rates within this section shall not be combined to create a greater reduction.

#### **A. Short Term Rate**

1. If a Title Insurance Policy or Guarantee has been issued by any title insurer and within five (5) years thereafter, application is made for a new Policy or Guarantee, the charge shall be 70% of the Commercial Rate.

#### **B. Simultaneous Issues**

1. The charge for a policy issued simultaneously with a policy which has been rated under other provisions of this schedule and which contains the provision that any loss payment or claim paid thereon shall reduce pro tanto the Company's liability under the other policy or policies, the charge for the simultaneously issued policy or policies shall be:
  - a. \$350 for each policy, *plus*
  - b. Any charge for Extended Coverage which applies to the simultaneously issued policy and which is not paid under the other policy; *plus*
  - c. Any amount by which the Commercial Rate, as applied to the simultaneously issued policy, may exceed the amount of the Commercial Rate as applied to the other policy.
2. When a loan policy is issued insuring the lien of a mortgage and a policy insuring the lien of a junior mortgage is issued simultaneously therewith, the charge for both loan policies shall be computed as otherwise provided herein *but* based upon the aggregate amount of both policies.

#### **C. Multiple Issue**

The Multiple Issue Rate is available to an insured owner of a specific project within a single subdivision or governmental section or adjoining subdivisions or governmental sections which are to be divided into four or more separate lots or building sites, or an owner-developer who builds for resale.

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Loan Policy issued in connection with the subdivider's purchase of the property to be subdivided:

Extended Loan Policy – 40% of the Commercial Rate

Standard Loan Policy – 36% of the Commercial Rate

Loan Policy issued in connection with the subdivider's constructions loan:

Extended Loan Policy – 40% of the Commercial Rate

Standard Loan Policy – 36% of the Commercial Rate

Owner's Policy issued in connection with the sale of a lot by the subdivider prior to completion of improvements thereon, or issued in connection with the sale of a lot by a builder following completion of improvements thereon:

Extended Owner's Policy – 40% of the Commercial Rate, plus the Extended Coverage surcharge described in Section III. B. of this Schedule

Standard Owner's Policy – 40% of the Commercial Rate

**D. Reorganization and Junior Mortgage Rates**

The charge for a loan policy insuring a new security agreement on the same property as a previously insured deed of trust, mortgage or security agreement shall be 45% of Commercial Rate.

The discount for a prior policy or commitment set forth in Paragraph H below may be used in conjunction with this discount.

**E. Charitable or Non-Profit Entities**

The Company reserves the right to reduce any rate herein when the party being charged is a charitable or non-profit entity.

**F. Renewal Insurance**

The charge for an owner's policy insuring a previously insured owner of a particular property shall be 50% of the Commercial Rate.

**G. Policies Ordered Electronically**

Orders for title insurance which are ordered electronically will be discounted 5% of the Commercial Rate, subject to minimum charges.

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**H. Prior Policy or Commitment**

If a copy of the seller's or borrower's commitment or policy of title insurance is submitted at the time the order for title insurance is accepted, the charge shall be 90% of the Commercial Rate.

**I. Aggregation of Transactions.**

In computing charges it is permissible to aggregate the amount of insurance issued on all the land involved in the particular transaction including those parcels insured by another title insurer.

**J. Transactions of \$10,000,000 and Above.**

Notwithstanding the fees set forth in this Rating Manual, special pricing consideration will be given to transactions involving policies aggregating \$10,000,000 or more based upon factors including perceived risk, the number and geographic location of the properties involved, service costs, competitive environment and other reasonable considerations.

SECTION VI

ENDORSEMENTS

Endorsement charges shall be based on a separate rate filing for endorsements.